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A Definition of Democracy for Undecided People

by Francis H. Russell

Director, Office of Public Affairs¹

You have asked me to speak to you on some current problems of our American foreign policy.

I know that I do not need to point out to you the salient fact of our time, that something precious has come into serious danger.

This brings us immediately to one of the problems I would like to discuss with you.

We are finding it more and more essential these days to define what it is that is in jeopardy. Our first reaction may be that of St. Augustine when he was asked to define "time." "When nobody asks me," he said, "I know." But each of us is having to determine for himself as a practical matter to what extent the sacrifice that is being exacted in Korea is worthwhile; at what point high taxes become "too high."

We are having to sharpen our definition of democracy, also, because hundreds of thousands of American citizens are coming face to face with people from outside our borders who want to know just how we, the leaders of the free world, visualize the present world struggle. This year over a third of a million American tourists are going abroad. Last year well over half a million people from abroad came here. Many of these people in other countries are involved in this struggle even more immediately and more desperately than we are, and they are interested in where we draw the line on what is vital and what is not vital.

The problem is coming up daily in a hundred different ways. An American was traveling in the Far East a short while ago. He met a leader of one of the islands of Indonesia who, in the course of the conversation, said to him:

My people are being showered with propaganda by the Communists, being told that communism alone has the answers to the problems of this part of the world. How can I best explain your democracy to my people? How can I tell them what the free way of life offers for them?

¹ Excerpts from an address made before the Richmond Rotary Club, Richmond, Va., on Aug. 12 and released to the press (No. 637) on the same date.

Anyone who buys bonds or has friends fighting in Korea has a stake in seeing that the best possible answer is given to that question; for it is rising not only among Indonesians, but day after day in the minds of the one-third of the world's population who are as yet uncommitted in the present struggle and whose decision may well turn the balance one way or the other.

How do we answer it?

We can lay down certain tests that should govern us. In the first place our answer must accurately reflect the principles and objectives that guide our national life. Secondly, it should indicate at what points they come into conflict with the principles of communism. Thirdly, our answer should show whether, and how, the principles by which we live have any validity, any practical application, or are of any interest to other peoples of the world.

Various possible answers come quickly to mind.

We could stress our high economic level, our standard of living. But if this is the thing that distinguishes us, these uncommitted people, who for the most part live in desperate poverty, will feel that they have little in common with us. And the agents of the Kremlin capitalize upon this by saying that the Communists have come from, and therefore can best represent, the down-trodden elements of the world's populations.

We might talk about our capitalist free enterprise system. But any definition of democracy that excludes democracies whose economies differ in varying degrees from ours, such as Britain, Sweden, France, or Australia, is going to raise more questions than it settles.

We might tell these people about our pattern of government. How it is premised upon a wide dissemination of powers, responsibilities, and functions. How we maintain a separation, as far as possible, between our political, economic, and religious organizations. How we separate the executive, legislative, and judicial functions of

our Government. How we even divide up our executive powers, from the President to the village dog catcher, not permitting any to encroach upon the others' fields. But will that really interest those Indonesian villagers?

We could extol freedom to them, but if you offer a starving man his choice between the four freedoms and a sandwich, he is likely to take the sandwich and let the freedoms go for a while.

All of these concepts are vital to our way of life, but none of them really hits the particular nail in front of us squarely on the head.

Well, what is the answer?

Perhaps Lincoln started us on the right track in this search with his "government of the people, by the people, for the people." The American people, by clasp[ing] that phrase to their hearts and echoing it countless millions of times, have made it their ideological standard. And that, we can tell our Indonesian friends, means, for the Indonesian people, "government of the Indonesian people, by the Indonesian people, for the Indonesian people"; and not, as the people of Eastern Europe and other parts of the world have found out, "government of the people, by the Kremlin, for the purposes of the Kremlin."

Well, that gives us a start. It sets the objective. It brings us together with all those who say human life, human happiness, as we put it in our Declaration of Independence, is the ultimate value. It rules out those who say man is made for the party and for the state.

But how do we carry out that objective?

A son of Virginia gave us a great deal of help on this question when he addressed himself, in an essay, to the question of "The Nature of American Democracy." Here (if I may shorten and paraphrase it slightly) is what Woodrow Wilson said:

The forces of democracy reside not in doctrines of revolutionary writers but in educational forces which elevate the masses to a plane of understanding and of orderly intelligent purpose.

Liberty is not something that can be created by a document. It is an organic principle of life.

Democratic institutions are like living tissue, always a-making.

It is a strenuous thing, living the life of a free people; and success depends upon training, not upon clever invention.

Such a government is a form of conduct, and its only stable foundation is character.

The people who successfully maintain such a government must have self-reliance, self-knowledge, and self-control, soberness and deliberateness of judgment, vigilance of thought and quickness of insight, purged alike of hasty barbaric passions and of patient servility to rulers.

Dictatorships may be made; democracies must grow.

So the essence of our democracy is that it is a growing, living, developing thing, built on the gradual, painstaking accumulation of mankind's experience and wisdom in the things that separate him from the lower animals.

Communist Rejection of Accumulated Wisdom

The Communists throw this accumulated wisdom out the window and pretend to offer the quick, the easy way: a dictatorship. But experience has amply shown that that way leads through quicksand and winds up in disaster.

The Communists started out by uprooting the institution of marriage; by turning children away from their parents toward the party; by abolishing the individual's right to own property, and the idea of pay as a reward for service; by eliminating sports as a part of the fun and recreation of life and by using them solely to strengthen the military power of the state; by converting drama, literature, and art from their time-honored roles into instruments for the aggrandizement of the party.

They have in some cases already, in a single generation, come face to face with the realities and laws of human nature, and have had to revise the rules of their society in a reluctant and partial compliance with these realities. For example, they have been forced to change some of their laws governing the family. They now give pay on the basis of reward for service and in fact have now gone to the other extreme; the present discrepancy between the pay of their workers and that of their managers, greater than in capitalist countries, has created a rigidly stratified society. They recently found it expedient to inaugurate a state program of sports and to send a team to the Olympic games at Helsinki.

Frequently in such cases they make no real change. They just go through the motions. For instance, in their revised constitution of 1936 they felt it expedient to make a genuflection toward freedom of speech and freedom of the press. But on careful reading you find that these freedoms exist only insofar as they "strengthen the socialist system."

In any event the Soviet position has been clearly set forth by Vyshinsky: "In our state, naturally there is and can be no place for freedom of speech, press and so on for the foes of socialism." Stalin made it doubly plain: "We have never pledged ourselves to grant freedom of the press to all classes, to make all classes happy." Deviationism is the cardinal sin and it is grievously punished.

Whereas, of course, real freedom of speech, as Justice Holmes said, includes "freedom for the thought we hate" as well as for that we agree with. Freedom only to say what is "right" according to what someone in power at the moment says is "right" is the opposite of freedom. It is intellectual tyranny and it lowers the curtain on man's further progress. Jefferson branded "as cowardly the idea that the human mind is incapable of further advances. To preserve the freedom of the human mind and freedom of the press" he said, "every spirit should be ready to devote itself to martyrdom; for as long as we may think

as we will, and speak as we think, the condition of man will proceed in improvement."

In most respects the Soviets are still battling as ferociously as ever against the advancing stream of civilization. Their effort to abolish the spiritual element in life continues unabated. "Dialectical materialism," they say "is incompatible with religion. If a Communist goes to church, believing in God, he fails to fulfill his duties."

Incidentally, the people of Asia know something about this spiritual area of life and will understand what we are talking about, for the great religions of the world all arose on Asiatic soil.

Stalin proclaims that in communism he has a "science" of human society which makes possible the engineering of the course of history. But he falls flat at the first step because he cannot, in his scheme, produce the kind of human beings that, as Wilson pointed out, are indispensable to a good society, a workable society. He has ruled out "the things of the spirit." And while our religious institutions, our educators, our industrial experts, our psychologists, anthropologists, and other scientists, working hand in hand, have been busy building up a treasure house of knowledge about human beings, their wants, desires, hopes, and needs, and while we have been creating a society that will increasingly meet them, the Communists have made it crystal clear that that is not even their goal and have destroyed the institutions that provide the necessary human ingredients of a good society.

Communist "Cement-Mixer" Approach

There are two ways of building a better human society just as there are basically two ways of making a better radio. One way of constructing a better radio is to find out all that has been accomplished up to the present time in radio building, what has worked and what has not, and go forward from there. That, Wilson told us, is the way to go about achieving a society of individuals possessed of the inward happiness which the signers of the Declaration of Independence had in mind.

The second way to make a radio is to say that existing radio science is evil, and to put a wheelbarrow, a waffle iron, and a copy of Karl Marx into a cement mixer, turn on the power and then make a decree that what comes out is the latest thing in radio sets. That is the Communist way: building society solely on "the doctrines of revolutionary writers," as Wilson put it. It is the "cement-mixer" approach.

You can hear the Communist "cement mixer" grinding away every time the Communists take part in an international conference and try to disrupt it, as they did at the Red Cross Conference at Toronto last month.

We have no objection to individuals holding such a "cement-mixer" type of philosophy and

operating their own affairs on that basis if they want to; what we do object to is the present effort of the men in the Kremlin to force the entire civilized world into the Communist "cement-mixer."

So the question, in essence, that faces the undecided people of the world is whether they wish to get into the stream of life, the vast cooperative effort, that has acquired this store of knowledge and experience about government by and for the people; knowledge of how society can best create the conditions that make for the greatest inward happiness of its people—or whether they prefer the doctrinaire, "cement-mixer" type of society with its inevitable end-products of conflict, slave labor, enforced mass migrations, prison camps, and, as in China recently, executions running into the millions.

It is to the preservation of the democratic approach to society, as I said, that our foreign policy is devoted. And that, in turn, has created the problem of definition I have been discussing.

There are other problems.

Real and False Problems of Foreign Policy

Perhaps the first task of anyone interested in foreign policy is to discover what the real problems are. Some people never get around to discussing the real problems because they waste their time on false, unrealistic, or nonexistent questions.

For instance, there have been some voices raised recently saying we should turn our back on the United Nations, or weaken our ties with it, or scale way down our contributions to it. There have also been efforts to undermine our relations with our NATO partners. In fact, a much discussed resolution was introduced in the Senate this year calling for measures that would cripple this country in all its foreign relations.

The search for an alternative policy, by the more logical of these people, has resulted in some editorializing such as this: "The task of America at this moment must be to erect a bastion of civilization in the Western Hemisphere;" and has resulted in a most eminent American agreeing: "The foundation of our national policies must be to preserve this Western Hemisphere Gibraltar."

Now superficially an effort to crawl under a hemispheric shell, as these neo-isolationists would do, makes a certain amount of sense. It ought to be easier to cope with the problems of half a sphere than with those of a whole sphere. Lord knows there are enough problems in the one sixty-fifth of the world sphere that comprises the United States; or even in the one five-thousandth that constitutes Virginia! Why look for trouble?

But these people are bold! They are willing to take on an entire half sphere!

But immediately they run into a problem. Take a globe of the earth and fit over it a paper cap that just covers half the globe, a paper hemisphere. You can place that hemisphere cap so that it

covers everything north of the equator. Or you can place it in such a way that it covers North and South America plus the Pacific and Atlantic Oceans, the so-called Western Hemisphere. Or you can place it so it covers, not only all of North America and the northern part of South America, but also in the same hemisphere all of Europe, all of Asia, and all of Africa. This might be called the North America-Eurasia-African hemisphere.

In fact if you move this hemisphere cap around long enough, having it always cover all of continental United States, you find you have at one time or another covered all of the earth's surface except a patch of Indian Ocean wasteland having a population of a few dozen people and no natural resources. The people in that patch of wasteland are the only people in the world not in "our hemisphere." Everybody else in the world *is* in "our hemisphere"—everybody.

"Well, maybe so," some people may say, "but let's pick out one hemisphere and concentrate on that."

All right, but which one? The hemisphere with 95 percent of the free world's population, 98 percent of the free world's oil, 99 percent of its steel, and 92 percent of the free world's industrial production; or should we base our hopes on the "Western Hemisphere" with only one-fifth of the present free world's people in it? Should we extend the hand of partnership in the hemisphere with practically all of the free world's strategic air bases, the strategic radio stations, the industrially trained populations, the people with an ancient and treasured tradition in the ways of democracy? Or only in the hemisphere approximately 83 percent of whose surface consists of watery wastes and such marine life as exists in them.

Or should we base our policies on a combination of hemispheres as we do at present?

You may say I have been engaged in beating a dead horse. Hopefully, I have perhaps. But it is not a completely dead horse because, as I say, there still are those who are attacking the United Nations and are trying to isolate the United States from the rest of the free world.

But in any event let us, finally, take a look at a live horse. Here is a real problem. What do we do about this?

In the current industrial age the United States uses each year two and a half billion tons of materials of all kinds.

Breaking that down to the individual, each of us uses, on an average, 18 tons. This 18 tons includes about 14,800 pounds of fuel for heat and energy—warming houses and offices, running automobiles and diesel engines, firing factory boilers; about 10,000 pounds of building materials—lumber, stone, sand, gravel; plus 800 pounds of metals winnowed from 5,000 pounds of ores. Each of us eats nearly 1,600 pounds of food. This together with cotton and other fibers for clothing,

pulpwood for paper, and miscellaneous products amounts to 5,700 pounds of agricultural products per individual.

These are the materials it takes to meet our needs and wants. With less than 10 percent of the free world's population and 8 percent of its land area, we consume close to half its materials.

This country does not have all these materials. The U.S. Bureau of Mines recently published a chart of the 38 minerals essential to industrial production. Of the total, the United States is self-sufficient in only nine. We go all over the free world to find the others.

Some of these materials we never had. Nature just did not bestow them upon us. Others—copper, lead, and zinc—we had in the past but have consumed at such a rate that our original store is depleted.

It may come with something of a shock but we, the United States, are today a "have not" nation in many of the materials upon which our way of life is based. This would be a sobering situation even in times of peace. In today's emergency it presents a serious problem.

Fortunately for us, and for the world, the United States together with the other free nations does have the materials necessary for our common strength. What one lacks the other has. But it is a question of sharing and of maintaining our unity.

So the first objective of the foreign policy of the United States today is that our enemies shall not divide the free world community. We are determined that its potential strength shall be built to its maximum reality.

I said "potential" strength because in many areas material wealth is still in the ground. It is there, but before it is ready for use, certain preliminary steps must be taken. We are working with the nations and peoples involved to hasten those steps. Manganese in Brazil, for instance, should be available in a few years. Some of it is already coming to our shores. But not enough. Not if we are to continue to keep steel, for both defense and peacetime use, rolling from our mills. We need to continue our supplies of manganese from India.

The Unrealistic Attitude of Economic Chauvinism

In the present world situation, indeed, an *increased* flow of imports into the United States is absolutely essential if we are to build our strength to a point where our enemies must relinquish all hope of realizing their world ambitions and permit the building of a free world.

This question of the togetherness of the free peoples has other angles which must give us all concern.

In the last several months there has been a growing uneasiness abroad about the direction in which our international trade policy is moving. The

situation these people see is this. Our foreign aid has been reduced. Our private foreign investments are but a trickle in relation to the need. The flow of dollars, in other words, from the United States to the other free nations has been seriously reduced.

These peoples, however, need our dollars. They can—and they do—earn some of them by selling us their *raw materials*. They cannot, however, earn enough exclusively through these sales to pay for the goods and materials they must have from us and which we want to sell to them.

They *can* earn them, however, by selling us their *goods*. They *want* to make these sales. But certain segments of American business unfortunately have resumed the old fight to keep out foreign goods.

The impact of this abroad is dangerous, not only economically but psychologically. We have urged increased production upon these people as a way out of their economic and social difficulties. We have talked increased production as a weapon in the fight to preserve freedom.

It doesn't make sense to them for us to talk in this fashion and then, when it comes to cooperative action on our part, to drag our feet. Or, worse, to throw barriers in their path.

This has not been a unified attack, the attack in this country against a workable foreign economic policy. It has consisted largely of a long list of minor actions, legislative amendments, and the like.

Let me be specific. There is, for one thing, the "cheese amendment" to the Defense Production Act. We have tried to get that dropped—but unsuccessfully.

We had hoped to ease the flow of goods from friendly countries by legislation simplifying customs procedures. The bill died in the Senate.

There was a campaign to kill the International Materials Conference. It was unsuccessful, but it has been harmful to us abroad for others to see the Conference hampered and attacked by Americans.

There can be no more unrealistic attitude today on the part of any American than economic chauvinism. It needs very little research to reveal the desperate need on our part of many materials important to defense. These materials are in short supply throughout the free world. If the defense program is to be a success—and it must be—they must be used as efficiently as possible. A shipment of cobalt for example, at the right time and at the right place, might make all the difference in the world in the jet aircraft available in Korea.

The Tariff Commission has been beset by applications for "protection" for this and that industry. Investigation frequently discloses that this protection is entirely unnecessary. But the fact that the request was made confirms our friends abroad in

their suspicion that America is not willing to do its part in this world-wide emergency.

From their point of view, the ultimate irony is our outspoken criticism of any trade with Communist countries after they have found they cannot trade with us. The Communists made the most of this situation in their recent trade conference in Moscow. That conference was a phony. But we Americans—some of us—lent it reality by our actions.

These questions we have been discussing are first of all, of course, questions of patriotism, but more than that, of common sense, for all of us are involved in this struggle. If the free nations should not achieve their goal—strength—no American, no matter how foolhardy, could contemplate the future with equanimity. The Soviets are not following a quartersphere or hemisphere policy nor are they concerned primarily with marine life.

You will have noticed, as we have been going along in this discussion, that we have been talking about foreign policy in three widely different areas: the ideological, the geopolitical, and the economic, to give fancy names to the simple and the obvious.

And I hope it struck you that whichever path you take you come out at the same point: that today's threat to civilization is a threat to all men; but that with strength and with enlightened self-interest, there is no limit to the future of the cause we serve—the continuing progress of men who "live strenuously the life of free peoples."

U.S. Sends Third Note to Soviets on Austrian State Treaty

The United States on August 11 through the American Embassy at Moscow delivered to the Soviet Ministry of Foreign Affairs a third note on the subject of an Austrian state treaty. The British and French Embassies at Moscow transmitted similar notes. Following is the text of an explanatory press conference statement by Secretary Acheson together with the text of the U.S. note:

Press Conference Statement by Secretary Acheson

Press release 635 dated August 12

We have sent another note to the Soviet Ministry of Foreign Affairs reminding them that they have not replied to our previous notes of March 13 and May 9 concerning the Austrian state treaty.¹

¹For texts of these notes, see BULLETIN of Mar. 24, 1952, p. 448 and *ibid.*, May 19, 1952, p. 778.

You will recall that the note of March 13 proposed an abbreviated treaty upon which we hoped Soviet agreement would be more readily obtained than on the old draft treaty.

The note of May 9 reminded the Soviets that we had received no reply. The note, which was delivered in Moscow on Monday of this week, again reminds them of the absence of any reply and expresses our hope that this silence does not indicate a renunciation by the Soviet Government of the commitment it made by signing the Moscow declaration of November 1, 1943.

The British and French representatives in Moscow delivered similar notes on all the occasions I have mentioned.

U.S. Note of August 11

Press release 638 dated August 12

The Government of the United States of America refers to its note of March 13, 1952, which contained proposals designed to permit the immediate resumption of negotiations with a view to the final fulfillment of the promise made to Austria as long ago as 1943, that her freedom and independence would be restored.

In a further note of May 9, 1952, the Government of the United States of America drew the attention of the Soviet Government to the fact that an immediate and just settlement of the Austrian problem would eliminate one cause of constant tension in Europe.

Having so far received no reply to these two notes, the Government of the United States of America, in the hope that this silence is not to be interpreted as a renunciation by the Soviet Government of the commitment which it undertook by signing the Moscow Declaration of November 1, 1943, once more urges the Soviet Government to make known its views on the proposals for a settlement of the Austrian problem contained in the note of March 13, 1952.

Soviets Reject Abbreviated Treaty for Austria

Press release 645 dated August 15

The Soviet Government, replying after 5 months and two reminders to the United States, United Kingdom, and French notes, has rejected an abbreviated treaty for Austria proposed on March 13, 1952, after 258 meetings at which unsuccessful attempts were made to secure Four Power agreement to the Austrian draft treaty. The full text of the Soviet note has not been received as yet in Washington. However, the preliminary information received indicates that what the Soviets actually propose is yet another review of the entire Austrian treaty question based upon a return to the punitive spirit of 1945.

The Soviet Government, according to the summary of its note received from the U.S. Embassy in Moscow, is awaiting word from the Three Western Powers of their readiness to conclude the treaty on which work has been proceeding since 1946.

The Three Western Powers have always been ready to conclude an Austrian treaty based on the principles set forth in the Moscow Declaration of November 1, 1943. Inasmuch as the Soviet representatives failed to appear at a Four Power meeting called in London in January 1952 to continue negotiations on the full treaty, the mystery of over 18 months of Soviet failure to negotiate remains unclarified. The last full meeting of the treaty deputies took place in December 1950 at London.

As soon as the full text of the Soviet reply has been received and studied, it will be released.

Secretary Reviews Results of 1st ANZUS Council Meeting

Press conference statement by Secretary Acheson

Press release 634 dated August 12

I had a very successful meeting with the Australian and New Zealand Foreign Ministers at Kaneohe Bay in Hawaii. We met to organize the ANZUS Council created under the security treaty between our three Governments. I believe the work of the Council will lead to even closer relationships with our two good friends "down under."

The Council will meet annually, while our deputies will meet as often as necessary here in Washington to provide for continuing consultation and to provide a focus where existing channels and agencies may be utilized in the implementation of the treaty. I have designated Under Secretary David K. Bruce as the U.S. deputy, and Australia and New Zealand have designated their Ambassadors here to serve in the same capacity. The Council will have the advice of appropriate military officers, and Admiral Arthur W. Radford, Commander-in-Chief, Pacific and Pacific Fleet, will serve as U.S. military representative. He will meet at Pearl Harbor soon with his opposite numbers to work out the details of the military machinery.

The Council reaffirmed the need for collective security in the Pacific area but concluded that it was premature at this early stage in its formation to attempt to widen its relationships with other states or regional organizations.

During the meeting we also took the opportunity for a full and frank exchange of views on the world situation with particular emphasis on the Pacific.

I want to point out again as our communiqué emphasized at the end of the meeting¹ that we neither reached any decisions nor undertook any commitments regarding matters of direct concern to our friends in the Pacific or elsewhere.

As you know, the United States has a mutual-defense treaty with our sister Republic, the Philippines. In addition, under our treaty with Japan, we have American forces stationed in that country.

These treaties are all part of our continuing efforts to strengthen the peace and security of the Pacific. The United States has a deep and continuing interest in the peace and security of all the free nations of the Pacific area. We hope to continue to work with them as they may desire to work with each other and with us to the end that all of the nations of the Pacific may live in freedom.

Secretary Acheson Comments on Hvasta Case

Press release 636 dated August 12

Secretary Acheson at his news conference on August 12 made the following extemporaneous reply when asked whether there was anything to add to the story of John Hvasta's escape from a Czechoslovak jail:

I think you know all the facts that we know.² I think this points up again the outrageous consequences that flow from the refusal of Czechoslovakia and other satellite countries to perform their treaty duties, which is to allow our consuls to see our citizens who are in custody. They have refused us permission to see this man. Now they tell us he escaped last January. Maybe he did and maybe he did not. We have no information that confirms or contradicts that. But if we had been accorded the right which every civilized country accords to other countries to visit their people who are in custody, we would know about this. Now we just have to rely on people who are not too reliable.

Letter of Credence

Bolivia

The newly appointed Ambassador of Bolivia, Victor Andrade, presented his credentials to the President on August 11, 1952. For the text of the Ambassador's remarks and the text of the President's reply, see Department of State press release 630 of August 11.

¹ BULLETIN of Aug. 18, 1952, p. 244.

² For a previous statement regarding Mr. Hvasta, see BULLETIN of Aug. 18, 1952, p. 262.

Inauguration of European Coal and Steel Community

Statement by Secretary Acheson

Press release 632 dated August 11

The inauguration yesterday in Luxembourg of the European Coal and Steel Community by its High Authority was an important event in the history of Europe. On this occasion the peoples of six European nations began to exercise a part of their sovereignty through a common supranational authority. Henceforth, Belgium, France, the Federal Republic of Germany, Italy, Luxembourg, and the Netherlands, will, in accordance with the treaty ratified by their national Parliaments, pursue common objectives in all coal and steel matters through the common institutions of the Community.

It is the intention of the United States to give the Coal and Steel Community the strong support that its importance to the political and economic unification of Europe warrants. As appropriate under the treaty, the United States will now deal with the Community on coal and steel matters.

The six nation Coal and Steel Community represents the first major step toward unification in Europe. I am confident that in the near future we will see these nations take additional strides in this direction—ratification of the treaty instituting the European Defense Community and action to develop a supranational European political authority.

All Americans will join me in welcoming this new institution and in expressing the expectation that it will develop as its founders intended; and that it will realize the hopes that so many have placed in it.

Final Report of Anglo-American Council on Productivity

The Anglo-American Council on Productivity on August 10 released its final report on what it terms "an entirely new form of international public relations and adult education."

Under the auspices of the Anglo-American Council—a nongovernmental organization representing labor and business interests on both sides of the Atlantic—911 British industrialists, technicians, and workers in the past 4 years have visited nearly 2,000 American plants and other places of business in search of the means of reaching greater productivity in the industries of the United Kingdom.

The Council was conceived in 1948 by Sir Stafford Cripps, then British Chancellor of the Exchequer, and Paul Hoffman, Administrator of the

Economic Cooperation Administration (ECA). Divided into U.S. and U.K. sections, the Council was headed up on the U.S. side by Philip D. Reed of General Electric Company and Victor Reuther of the CIO, and on the U.K. side by such British leaders as Sir Greville Maginess (past president of the British Employers' Confederation), Lincoln Evans (General Secretary of the Iron and Steel Trades Confederation—a union), and Sir Archibald Forbes (President of the Federation of British Industries).

Financed through ECA (and later Mutual Security Agency (MSA)) funds, plus grants from the United Kingdom's sterling Marshall Plan counterpart fund and contributions from British industries, the Anglo-American Council's program of dispatching specialized teams to the United States for intensified studies of the U.S. industrial scene proved a pattern upon which the system of team studies for all Marshall Plan countries could be based.

Most of the 66 study teams which came to the United States under Anglo-American Council sponsorship have now published the reports on what they observed in those visits and how they believe the United Kingdom can benefit by them. As evidence of the popularity of these reports the Council cites the more than half a million copies which have been printed and distributed to date. Demand for most of the reports continues.

The reports, the Council states, "have been the means of stimulating firms to re-examine all the factors which improve productivity and efficiency—from the methods of training, organization, and control to the important function of packaging."

The influence of the reports has not been confined to the United Kingdom, the Council noted. "Other Western European countries, notably France and Germany, have shown the greatest interest in the findings and have published translations of the reports. At least one has been translated into Japanese. Many extracts and summaries have appeared in the foreign technical press. The reports have also been read with wide interest in the United States."

While the Anglo-American Council formally went out of existence on June 30 of this year (it was set up to operate only during the original life-span of the Marshall Plan) much of the work will be continued. A British Productivity Council is being formed with industrial and labor backing, and arrangements have been made for a book to be published which will include the chief factors affecting productivity. The U.S. section also has under consideration the formation of a group to foster continuance of interchanging productivity knowledge.

In its final report on its own activities, the Council stated:

We believe that one of the most important benefits of

the Council's work lies in the improvement of the climate of opinion about productivity. The teams which wrote the reports found a different attitude of mind in the U.S. from that prevailing in many quarters of the U.K. Nine hundred and eleven individuals comprising 66 teams have experienced this for themselves. Each of these men and women has both industrial and social contacts. Through these contacts they are spreading over widening circles a new attitude to the importance of increasing productivity.

As a result, also, of the considerable attention paid to the program by the British Press (more than 12,000 press clippings received in the London office) and by the British Broadcasting Company, "there is now an increased public awareness of productivity" in Britain, the Council report notes. The report states further that:

The program of team visits has made a valuable contribution to increasing international understanding. Thousands of American and British people have had the experience of meeting, understanding more clearly each others' problems and way of life, and reporting their own personal observations and conclusions to their neighbors and fellow-workers. The Council believes that this experience in international, industrial and human relations will result in tangible and intangible benefits for years to come.

The Council reported that while no facts were available upon which to record statistically the effect of the program upon British production per man hour, official figures show that "between the years 1948 and 1951 industrial productivity in the United Kingdom increased substantially."

Examples cited of this increase include the U.K. Steel Founding industry, whose Productivity Team's visit to the United States "has had marked effect." An increase of 15 percent in over-all productivity in the industry is estimated while "in some foundries there have been increases of as much as 30 percent."

The specialized team on the subject of materials handling has made a report which has proved "one of the 'best sellers' of the series" and nearly every team report has had a section on this subject. More important even than the interest raised in more and better materials handling equipment, the Council feels, "has been the closer attention now given throughout (British) industry to the fundamental problems of handling materials and to layout."

"The results that have accrued are often quite remarkable in individual companies," the Council states. "By changes in layout and improvement in handling, some companies have reported increases in output ranging up to 30 percent without any additional labor force."

The entire program carried out under Anglo-American Council sponsorship to date is estimated to have cost \$2,364,500 at current rates of exchange. Of this the dollar costs, \$1,467,500, were provided by ECA and MSA. Of the total of 320,400 pounds (equivalent to \$897,000) provided by the U.K. section, the equivalent of \$453,000 was in the form of grants by the British Government from the counterpart funds acquired as a

result of Marshall Plan aid. British industrial and union organizations and U.K. industries sending teams to the United States made direct contributions of the balance.

The costs to U.K. industries are in addition to money spent on continuing the salaries and wages of team members during their absence and additional funds supplied team members in many cases to supplement allowances from ECA/Msa while in America.

The American cost figures on the other hand, the Council noted, "take no account of the contributions in time made by representatives of American industry and labor unions in showing the team members techniques and methods of procedure, and the hospitality which nearly all the firms and labor unions provided."

Expressing the confidence of the Council that the "many man hours and much money" devoted to this joint effort has been justified, the Council report states:

Only through increasing productivity can we maintain and expand the benefits of our way of life. Our philosophy about its attainment may differ in some respects. Yet we all agree upon the essential importance of the task. Our objective must be to raise the standards of living not only of our own peoples but of the other nations of the world as well. This can be achieved by higher productivity, the benefits of which will be shared by the consumers in lower prices, by the workers in increased remuneration, and by the shareholders in a greater reward for risks successfully taken.

MSA Concludes Guaranty Agreement With Yugoslavia

Under an agreement announced on August 18 by the United States and Yugoslavia, the Mutual Security Agency (Msa) is now ready to offer currency convertibility guaranties covering new private American credits for Yugoslav investment projects.

The agreement between the two Governments, concluded in an exchange of notes, makes Yugoslavia the 15th country in which convertibility guaranties are available from Msa.

This means that an American businessman or firm financing an investment in Yugoslavia may obtain from Msa a contract insuring the creditor that local currency repayments of such credits can be converted into dollars.

It should be noted that investments involving ownership of industrial enterprises are not possible in Yugoslavia under that country's nationalization laws.

However, Yugoslav authorities have indicated that private investments in Yugoslavia could take other forms, such as providing machinery or equipment, services, techniques or processes to Yugoslav enterprises with payment either in the form of goods produced by such enterprises or in dinars, the Yugoslav currency.

If the payments were in dinars, the Yugoslav Government would undertake to convert the funds into dollars. Msa would guarantee this conversion in case unforeseen circumstances should prevent the currency exchange.

There is further the possibility of making some use of Msa's authority to provide guaranty protection against expropriatory actions of foreign governments with respect to American investment credits. Msa is prepared to discuss the possible application of guaranties of this type to investments which may be acceptable in Yugoslavia.

It is understood that Yugoslavia would be most interested in investments in such industries as mining, cement manufacturing, power development, and various export industries which Yugoslavia wants to expand. Such expansion would contribute to the common defensive strength against aggression and to the strengthening of peace.

Officials of the Yugoslav Embassy in Washington said that they will welcome discussions with American businessmen or company representatives interested in investment opportunities in Yugoslavia. They stated that even before the exchange of notes between the United States and Yugoslav Governments, there had been serious interest on the part of several American firms in investments of this kind.

Under guaranty legislation and the agreement, the investor must secure approval of the proposed investment from the Yugoslav Government, as well as from Msa, before Msa can issue a guaranty.

The exchange of notes between the United States and Yugoslavia defines the treatment to be accorded by the Government of Yugoslavia to currency or claims which the U.S. Government might acquire if Msa guaranties should be invoked. In the case of convertibility guaranties, the U.S. Government would acquire the investor's dinars, should they be blocked. This currency would then be available for administrative expenses of the U.S. Government in Yugoslavia.

Under the terms of the agreement, claims acquired by the United States as a result of the guaranty would be negotiated on the diplomatic level rather than through the Yugoslav courts. If no settlement were reached through diplomatic channels, the next step under the agreement would be arbitration of the claims by a person selected by mutual agreement, or, failing that, by an arbitrator selected by the President of the International Court of Justice.

Only new investment, including additions to existing investments, may be covered by Msa industrial guaranty contracts.

Under the Mutual Security Act of 1952, Msa may extend its guaranty program to investments in any country participating in the Mutual Security Program, of which the Point Four Program is a part.

A Review of ECOSOC's 14th Session

by Isador Lubin

The most urgent economic task of our time is the job of increasing the rate of progress against hunger and disease, against low living standards and underemployment.

Year by year, each session of the Economic and Social Council will vary in the extent to which it moves toward these objectives. The fourteenth session, held May 20 to August 1, was not the most successful. It was nevertheless a session which adopted new programs and spurred the older ones so that important progress was achieved. For example:

1. As a result of Council action, a unit will be established in the Secretariat to promote international action for the more effective use of water resources and the utilization of arid lands. This work will include the promotion of basic water resource data, the exchange of information among countries, and reports on the activities of international organizations and national governments. The subject will be kept under continuous surveillance by the Council.

2. Utilizing the resources of the United Nations and the specialized agencies, a new attack is being made upon methods of increasing productivity. This is essentially a "bootstrap"

operation—using the tools and the resources already available in a country in a more efficient and productive manner. It is one of the main hopes for progress in the underdeveloped countries.

3. The World Bank has been asked to explore in greater detail the feasibility of an international finance corporation designed to stimulate the flow of private capital into business enterprises in underdeveloped areas. While the studies thus far do not allow hard-and-fast conclusions, the proposal of the Bank holds forth possibilities of great interest.

4. First steps were taken to call an international conference of experts on population in 1954. The problems stemming from the rapid increase in world population are in need of the most painstaking study.

5. The administrative structure of the technical assistance program has been modernized with the appointment of David Owen as full-time chairman of the Technical Assistance Board. Further, the entire program of technical assistance has been surveyed in the most careful manner. The U.N. program is growing in size and competence and in its usefulness to underdeveloped countries. Its program for 1953 is based on a contributions goal of \$25,000,000. As reports on the operation of this program accumulate, I am convinced that popular understanding of its merits will increase and that it will be utilized on an ever-broadening scale.

6. Stand-by machinery is being created to fight famine. The Food and Agriculture Organization (FAO) is established as the warning agency, working on methods of detecting in advance the probability of acute food shortages. Governments are asked to take the preparatory steps of designating the appropriate ministries to cope with a national famine disaster, encouraging national voluntary relief organiza-

EDITOR'S NOTE: The following statements and addresses made by Mr. Lubin in the course of this session of Ecosoc may be found printed in the BULLETIN: "The World's Awakening Peoples and Their Demand for Human Betterment," June 16, 1952, p. 934; "A Review of World Economic Events and Defense Adjustment Problems," June 23, 1952, p. 989; "Answers to Soviet Distortions and Misrepresentations of U.S. Economy," June 30, 1952, p. 1032; "U.S. Position on Proposed International Development Fund," July 14, 1952, p. 73; "Planning for the Relief of Famine Emergencies," July 21, 1952, p. 111; "Relation Between Domestic and International Economic Security," August 4, 1952, p. 187. Also included in the BULLETIN are statements made before the Council by Walter M. Kotschnig, Deputy U.S. Representative: "Soviet Propaganda, Not U.S. Press, is Threat to World Peace," July 21, 1952, p. 109; "Human Welfare: A Practical Objective," July 28, 1952, p. 142.

tions, and planning transport and distribution systems. The Secretary-General of the United Nations is asked to coordinate the plans and operations of intergovernmental organizations, governments, and voluntary agencies.

World Economic and Social Situations

These and other actions are solid bricks in the world economic structure we are seeking to build together.

In addition to the economic development problem, the Council's annual survey and debate of the world economic situation was productive and useful. Until the Secretariat's report was issued, misunderstandings were widespread as to the effect of the rearmament program on economic development and on standards of living. Communist propaganda has tried to distort those misunderstandings even further.

Now, however, as a result of the U.N. report and the Council's debate, it is clear to all that materials for economic development have gone forward to underdeveloped countries in increasing—not decreasing—quantities, and that standards of living have been maintained.

The Council continued its watchfulness over the possibility of economic recessions in conformity with its continuing objective of maintaining full employment.

In the field of social affairs, the Council had before it for the first time a comprehensive report on the world social situation. This is one of the most important documents of recent years, describing conditions and trends affecting the way people live everywhere.

This report is significant in two main respects. First, it presents to the world in a single picture the grim life among most of the world population:

—Population is growing at a rate that brings into being each year the equivalent of a new nation the size of Spain.

—Half the world's people live in Asia, but they receive only 11 percent of world income; North America, on the other hand, with but 10 percent of the population, has nearly 45 percent of world income. In this diversity lies great danger.

—Food production per person in the world is still less than it was before the war.

Second, the report marks a turning-point in human affairs among these people—the end of fatalistic acceptance of their poverty, disease, and ignorance, and the rise of an insistent demand for improvement.

This renaissance, in turn, places before the people of these countries a critical decision. As Walter M. Kotschnig, U.S. Deputy Representative on the Council, pointed out in debate on the report, in their efforts toward improvement, they have the choice of the way of the free, which we believe

leads to the greatest benefits, and the way of the unfree, of the oppressed.

It is apparent now from the Social Report and from our discussions of it that not only the United Nations but individual countries will be better able to isolate the most urgent problems they must attack. People the world over will have a better understanding of the problems they must cope with.

Progress in Specific Social Fields

Progress also is being made in specific social fields. A conference is to be called to draft and adopt a protocol on the limitation of the production of opium. A resolution asks the General Assembly to open for signature a convention on the political rights of women. Through a *rapporteur*, the Council will keep in touch with world developments in the field of freedom of information. The latter arrangement is on a one-year-trial basis.

Discussion of the affairs of UNICEF showed continued general support of the world-wide work of this organization. The Soviet Union and its satellites continue their earnest nonparticipation in this humanitarian program.

The Council, in addition, has reviewed the programs of the specialized agencies and has found that their work is being carried on satisfactorily and in coordinated fashion. Much important work was done on the matter of priorities—to see that first things come first in programs of these agencies.

Soviet strategy in this session of the Council has been directed along three principal lines:

1. To undermine world confidence in the economic strength and stability of the United States;

2. To broadcast the impression that American standards of living—in fact the living standards of all the free countries—have been falling precipitately.

3. A line which appears to be taking on increased importance in the Soviet propaganda picture, attributing to modern America the views of the 18th century British economist Malthus, that population is increasing faster than the world can feed it. The United States, it is claimed, therefore advocates the mass extermination of large populations in Asia, the Middle East, and Africa. This attack seems to have risen in vehemence since the outlandish charges of germ warfare in North Korea and Communist China were first propagated.

Answers and denials of these preposterous attacks must be reiterated time and again—and reinforced by facts and programs of action. The facts are that the American economy is stable and strong (the figures behind this story have been given to the Council). The facts are that stand-

ards of living in the non-Communist world, by and large, are rising and can rise further. The facts are that no country in the world has devoted a larger share of its resources and energies, as a matter of national policy, to the alleviation of the suffering and underprivileged in all parts of the

globe than the United States. The facts conclusively disprove the oft-repeated Communist charges.

• *Mr. Lubin, author of the above article, is the U.S. representative on the U.N. Economic and Social Council.*

U. S., U. K., and France Propose Plan To Limit Arms by Type and Quantity

Statement by Benjamin V. Cohen¹

On May 28, 1952, the United States joined with France and the United Kingdom in submitting a tripartite working paper;² in which it was proposed that effort should be directed toward fixing ceilings for the armed forces of all states as one important item in a comprehensive disarmament program. It was suggested that the ceilings for the United States, the Soviet Union, and China should not exceed 1,000,000 or 1,500,000 and those for the United Kingdom and France should not exceed 700,000 or 800,000. It was suggested that if tentative ceilings could first be agreed upon for the Five Great Powers, then, having regard to the ceilings fixed for the Five Great Powers, comparable ceilings could be agreed upon for all other states having substantial military forces. It was suggested that such ceilings should be fixed with a view to avoiding a disequilibrium dangerous to international peace and security in any area of the world, thus reducing the danger of war and fear of aggression. It was further suggested that tentative agreement on such ceilings should greatly simplify and facilitate the task of limiting and restricting armaments to those necessary and appropriate to support the permitted armed forces.

The sponsors of the tripartite working paper attached great importance to this paper and hoped that it might be an opening wedge to serious discussion and substantial progress in the field of disarmament. We were disappointed when the Soviet Union indicated its unwillingness to give

consideration to our proposals even as a basis of discussion. The Soviet representative explained to us that the Soviet Union regarded the tripartite paper as fatally deficient because, in its opinion, it did not deal with the distribution of the armed forces among the land, sea, and air services and did not limit or restrict the armaments which might be available to support permitted armed forces.

As representative of the United States, on June 10, in replying to the statement of the Soviet representative on the same date directed against the tripartite statement, I stated:³

Our position, Mr. Chairman, is clear . . .

In the first place, the ceilings on the armed forces which we propose are only one element of a comprehensive disarmament program.

In the second place, the ceilings which we propose extend to all armed forces, including air, sea, under-sea, land, and all other forces which are employed to propel armaments of any kind or nature, indeed, more clearly than does the Soviet proposal regarding a third reduction in the armed forces.

In the third place, the ceilings which we propose are not intended to exclude or divert attention from other essential components of a comprehensive disarmament program, which must as a minimum include:

(a) The reduction of armaments to types and quantities necessary and appropriate to support permitted armed forces and the exclusion and elimination of all other weapons and armaments.

(b) In particular it should cover the elimination of atomic weapons and the control of atomic energy to insure its use for peaceful purposes only and the elimination of all major weapons adaptable to mass destruction, including bacteriological.

(c) It should include adequate and effective safeguards to insure the observance of the agreements and the protection of the complying states from the hazards of violations and evasions.

¹ Made in the U.N. Disarmament Commission on Aug. 11 and released to the press by the U.S. Mission to the U.N. on the same date. Ambassador Cohen is deputy U.S. representative in the Disarmament Commission.

² BULLETIN of June 9, 1952, p. 910.

³ *Ibid.*, June 30, 1952, p. 1030.

Today the U.S. delegation joins with the delegations of France and the United Kingdom in presenting a supplement to our tripartite working paper. This supplement makes clear that we propose not only to fix numerical ceilings on all armed forces but to limit armaments in types and quantities to those necessary and appropriate to support permitted armed forces and also to prevent undue concentration of the permitted armed forces in any particular category or categories of service in any manner which might prejudice a balanced reduction. This supplement makes clear that procedures must be worked out to facilitate the development of mutually agreed programs not only fixing numerical ceilings on all armed forces but determining their distribution within stated categories, limiting in types and quantities the armaments to be allowed in support of permitted armed forces, and bringing all essential components of the programs into balanced relationship. For purposes of discussion, the supplement suggests a procedure which, it is hoped, will facilitate the working out of such mutually agreed programs to be comprehended within the treaty or treaties referred to in the General Assembly resolution of January 11, 1952.⁴

We recognize that the needs and responsibilities of states are different. Some states with overseas responsibilities need more naval forces, others do not. Some states may require certain types of forces and armaments for their defense and other states may have different needs and requirements. Considerable flexibility in negotiation will be necessary to obtain concrete and satisfactory results. The important thing is to obtain the greatest practicable reduction in armed forces and armaments in order to reduce the danger and fear of war, bearing in mind the necessity of avoiding any serious imbalance or disequilibrium of power dangerous to international peace and security in any part of the world.

If our proposals for fixing numerical limitations on all armed forces are accepted and the powers principally concerned are prepared to undertake in good faith serious negotiations looking toward their implementation, the procedure we are suggesting is as follows:

Five Power Conference Proposed

Arrangements might be made for a conference of the Five Great Powers which are permanent members of the Security Council with a view to reaching tentative agreement among themselves by negotiation on:

(a) the distribution by principal categories of the armed forces that they would consider necessary and appropriate to maintain within the agreed numerical ceilings proposed for their armed forces;

(b) the types and quantities of armaments which they would consider necessary and appropriate to support permitted armed forces within the proposed numerical ceilings;

(c) the elimination of all armed forces and armaments other than those expressly permitted, it being understood that all major weapons adaptable to mass destruction should be eliminated and atomic energy should be placed under effective international control to insure its use for peaceful purposes only.

Necessarily these agreements would be tentative because they would have to be reviewed in light of similar agreements which would have to be reached with other states. Necessarily, the kind of limitations which one state may be willing to accept on its armed forces and armaments would depend upon the kind of limitations other states would be willing to accept. It would be our hope that allowing scope for negotiation would make possible greater progress toward disarmament than might be possible by exclusive reliance on abstract formulae.

Importance of Timing and Coordination

When the Five Great Powers succeed in reaching tentative agreement among themselves on the size and distribution of their armed forces and the kind and quantities of their armaments, it is proposed that regional conferences should be held under the auspices of the Disarmament Commission as provided in paragraph 6 (b) of the General Assembly resolution. It is proposed that these regional conferences be attended by all governments and authorities having substantial military forces in the respective regions. In light of the tentative agreement reached by the Five Great Powers, the regional conferences would endeavor to reach similar tentative agreement on:

(a) the over-all numerical ceilings for the armed forces of all governments and authorities in the region;

(b) the distribution of permitted armed forces within stated categories;

(c) the types and quantities of armaments necessary and appropriate to support the permitted armed forces; and

(d) the elimination of all armed forces and armaments other than those expressly permitted, it being understood that all major weapons adaptable to mass destruction will be eliminated and atomic energy would be brought under effective international control to insure its use for peaceful purposes only.

When such tentative agreements regarding the size and the armaments of the armed forces of all states with substantial armed forces have been reached, it is proposed that these agreements should be incorporated into a draft treaty comprehending and bringing into balanced relationship all essential components of the disarmament program.

⁴ *Ibid.*, Mar. 31, 1952, p. 507.

The supplement to the tripartite paper also makes clear what is meant by balanced relationship among the essential components of the program. We make clear that the timing and coordination of the reductions, prohibitions, and eliminations should insure the balanced reduction of overall armed strength and should avoid creating or continuing any disequilibrium of power dangerous to international peace and security during the period that the reductions, prohibitions, and eliminations are being put into effect. In particular, the initial limitations or reductions in armed forces and permitted armaments and the initial steps toward elimination of prohibited armaments should commence at the same time. Subsequent limitations and reductions should be synchronized with subsequent progress in elimination of prohibited armaments.

An international control authority should be established at the commencement of the program, and it should be in a position to assume progressively its functions, in order to insure the carrying out of the limitations, reductions, curtailments and prohibitions. Thus when the limitation and reduction in armed forces and armaments provided by the treaty or treaties are completed, production of prohibited armaments will have ceased, existing stockpiles of prohibited armaments and facilities for their production will have been disposed of, atomic energy will have been utilized for peaceful purposes only, and the international control authority will have assumed its full functions.

In this connection, I should emphasize again the necessity of our working out effective machinery to safeguard and police whatever programs of disarmament may be mutually agreed upon under the procedures we are suggesting. Indeed it is regrettable that we have not been able to make greater progress in clarifying our ideas as to how the necessary controls are to operate. Some states may hesitate to commit themselves even tentatively to drastic reductions and eliminations before they are satisfied that we are in fact able to establish international controls which will protect and safeguard complying states from the hazards of evasions and violations. In any event it should be clearly understood that the programs of disarmament which may be agreed upon under the procedures we are proposing cannot be put into effect until we have agreed upon the safeguards necessary to insure their faithful execution and continued observance.

Mr. Chairman, the sponsors of the tripartite working paper and its supplement have tried hard to break ground in order to make it possible for the Commission to progress in its work. The tripartite paper with its supplement is a working paper. It is not in final or definitive form. It is submitted for discussions. The sponsors, as well as other members, may have changes to suggest as a result of further thought and discussion. But

the sponsors of the paper do believe that the procedures suggested constitute a constructive approach and are entitled to serious consideration.

Disarmament cannot be achieved by talk or even by simple resolution. Disarmament cannot be achieved without good will and painstaking work. The sponsors of the tripartite proposals have suggested procedures which if followed through, in good faith and with honest effort, should advance us on the road to disarmament and peace. The sponsors have faced and not dodged the many difficult problems which confront us. The sponsors of the tripartite proposals sincerely hope that the proposals they have made and the procedures they have suggested may provide a basis of cooperative work on the part of all of us. They sincerely hope that their proposals will make possible real progress toward relaxation of international tensions, settlement of major political issues, and genuine disarmament and peace.

U. N. doc. DC/12
Dated Aug. 12, 1952

SUPPLEMENT TO TRIPARTITE WORKING PAPER SETTING FORTH PROPOSALS FOR FIXING NUMERICAL LIMITATION OF ALL ARMED FORCES

I. It is contemplated that any agreement for the numerical limitation of armed forces would necessarily comprehend:

- (a) provisions to ensure that production of armaments and quantities of armaments bear a direct relation to the amounts needed for permitted armed forces;
- (b) provisions for composition of permitted armed forces and armaments in order to prevent undue concentration of total permitted armed forces in a manner which might prejudice a balanced reduction;
- (c) procedures in conformity with the directive contained in paragraph 6 (b) of the General Assembly Resolution of January 11, 1952, for the negotiation within overall limitations of mutually agreed programs of armed forces and armaments with a view to obtaining early agreement on these matters among states with substantial military resources.

Procedures should be worked out to facilitate the development under the auspices of the Disarmament Commission of mutually agreed programs of armed forces and armaments to be comprehended within the treaty or treaties referred to in the General Assembly Resolution of January 11, 1952.

II. One possible procedure, advanced for the purpose of initiating discussions, might be:

- (a) Upon acceptance of the proposals set forth in Working Paper DC/10 with respect to fixing numerical limitation of all armed forces, arrangements might be made for a conference between China, France, the Union of Soviet Socialist Republics, the United Kingdom and the United States of America with a view to reaching tentative agreement among themselves, by negotiation, on (1) the distribution by principal categories of the armed forces that they would consider necessary and appropriate to maintain within the agreed numerical ceilings proposed for their armed forces; (2) the types and quantities of armaments which they would consider

necessary and appropriate to support permitted armed forces within the proposed numerical ceilings; (3) the elimination of all armed forces and armaments other than those expressly permitted, it being understood that provision will be made for the elimination of all major weapons adaptable to mass destruction, and for the effective international control of atomic energy to ensure the prohibition of atomic weapons and the use of atomic energy for peaceful purposes only.

The distribution of armed forces within stated categories and the types and volumes of armaments would not necessarily be identical, even for states with substantially equal aggregate military strength, inasmuch as their needs and responsibilities may be different. The objective of the agreements would be to reduce the possibility and fear of aggression and to avoid a disequilibrium of power dangerous to international peace and security. Such agreements would necessarily be tentative, as they would have to be reviewed in the light of further tentative agreements to be reached, as indicated in the following paragraph.

(b) When tentative agreement is attained at the conference referred to in paragraph II.(a), regional conferences might be held, to be attended by all governments and authorities having substantial military forces in the respective regions, for the purpose of reaching similar tentative agreement on (1) the overall numerical ceilings for the armed forces of all such governments and authorities, as proposed in paragraph 5 (b) of the Tripartite Working Paper on numerical limitations, (2) the distribution of the permitted armed forces within stated categories, (3) the type and volume of armaments necessary and appropriate to support the permitted armed forces, and (4) the elimination of all armed forces and armaments other than those expressly permitted, it being understood that provision will be made for the elimination of all major weapons adaptable to mass destruction, and for the effective international control of atomic energy to ensure the prohibition of atomic weapons and the use of atomic energy for peaceful purposes only.

(c) Thereafter a draft treaty might be worked out, as contemplated in operative paragraph 3 of the General Assembly Resolution of January 11, 1952, comprehending and bringing into a balanced relationship all essential components of the program.

III. The timing and coordination of the reductions, prohibitions and eliminations should ensure the balanced reduction of overall armed strength and should avoid creating or continuing any disequilibrium of power dangerous to international peace and security during the period that the reductions, prohibitions and eliminations are being put into effect. In particular, the initial limitations or reductions in armed forces and permitted armaments and the initial steps toward elimination of prohibited armaments should commence at the same time. Subsequent limitations and reductions should be synchronized with subsequent progress in elimination of prohibited armaments. An international control authority should be established at the commencement of the program and it should be in a position to assume progressively its functions in order to ensure the carrying out of such limitations, reductions, curtailments and prohibitions. Thus, when the limitations and reductions in armed forces and permitted armaments provided by the treaty or treaties are completed, production of prohibited armaments will have ceased, existing stockpiles of prohibited armaments and facilities for their production will have been disposed of, atomic energy will be utilized for peaceful purposes only, and the international control authority will have assumed its full functions.

U.S. Delegations to International Conferences

Conference on Universal Copyright Convention (UNESCO)

On August 15 the Department of State announced that an intergovernmental conference to complete and sign a universal copyright convention will convene at Geneva on August 18, 1952, under the auspices of the U.N. Educational, Scientific and Cultural Organization (UNESCO).

The U.S. Government will be represented at the Conference by the following delegation:

Chairman

Luther Evans, Librarian of Congress

Congressional Advisers

Joseph R. Bryson, House of Representatives
Shepard J. Crumpacker, House of Representatives

Advisers

Roger C. Dixon, Chief, Business Practices and Technology Staff, Department of State
Arthur Farmer, General Counsel, American Book Publishers' Council, New York
Arthur Fisher, Register of Copyrights, Library of Congress
Herman Finkelstein, General Counsel, ASCAP, New York
Sydney Kaye, General Counsel, Broadcast Music, Inc., New York
John Schulman, Attorney for the Author's League, New York

Copyright laws of various countries, as well as the provisions of numerous intergovernmental agreements concerning copyright, are so divergent and, in some instances, so conflicting that it is often impossible for an author or publisher in one country to protect his interests in other countries.

The forthcoming diplomatic conference represents the culmination of 5 years of work on an international copyright arrangement, the last 2 years having been under the leadership of UNESCO. A draft of the proposed convention was prepared by UNESCO's Committee of Copyright Experts, in a meeting held at Paris in June 1951, on the basis of suggestions submitted by 25 countries. The draft was then submitted to all the governments of the world, as well as to several international organizations, with a request for their comments.

This draft, together with proposed revisions submitted to UNESCO by governments, will serve as the basis for the work of the Conference which, if successful, will constitute the most important step ever taken to bring uniformity to the presently confused body of law on this subject.

The convention, if concluded and signed at the Conference, will enter into force only after approval by interested governments in accordance with their respective constitutional processes.

U.S. Views on Dealing With Germ Warfare Elimination as a Separate Problem

Statement by Benjamin V. Cohen¹

While we are waiting for the observations of the member governments to the tripartite supplement to the tripartite working paper, I should like to refer to the question of the elimination of germ warfare and its place in a comprehensive disarmament program. It is not my purpose to reopen the debate started by the improper introduction into this forum of the false charges regarding the use of germ warfare in Korea. But as I have heretofore indicated, the elimination of germ warfare as well as the elimination of mass armies and atomic warfare must be an essential part of a comprehensive disarmament program to reduce the danger of aggression and the fear of war. Before we make our report to the General Assembly, I want to make clear that such elimination is called for and contemplated by the proposals we have made.

During the recent discussion of the Geneva protocol in the Security Council, it was pointed out by the U.S. representative, Ambassador Gross, as well as by the representatives of other members of the Council that the matter of the prohibition and elimination of bacteriological warfare was clearly within the terms of reference of the Disarmament Commission and should be considered in connection with the proposals which the General Assembly has directed the Commission to prepare for the elimination of all major weapons adaptable to mass destruction.

To avoid any possible misunderstanding of the position of the United States, I should like to state again our position in regard to the elimination of all weapons adaptable to mass destruction, including poisonous gas and bacteriological warfare. I want to emphasize that it is the view of my Government that the matter of germ warfare must be included as an essential part of a comprehensive and balanced disarmament program

and cannot be satisfactorily dealt with as a separate or isolated problem.

It would be a grave mistake to assume that, because the United States has not ratified the Geneva protocol, the United States is opposed to the general objective of the treaty, the effective outlawing of poisonous gas and biological weapons directed against human beings. Indeed the United States signed and took an active part in the drafting of the Geneva protocol of 1925, and earlier, in 1922, in drafting the Washington treaty from which the principal provisions of the Geneva protocol were derived. The United States is not unmindful that the ratification of the Geneva protocol by 42 States is a significant manifestation of mankind's desire which the United States also shares, to see these hideous weapons, along with all other weapons adaptable to mass destruction, banned from national armaments.

Those who attempt to explain America's failure to ratify the protocol in terms of Marxist materialism may know their Marxism, but they are woefully ignorant of American life and history.

When the Geneva protocol was submitted to the Senate for ratification, America was retreating rapidly into isolationism and neutralism and feared any involvement with the League and any treaties originating from Geneva. It is ridiculous and absurd for Mr. Malik to think that the nation which a few years later was to attempt to ban any shipments of arms to any belligerent failed to ratify the Geneva protocol because of the profit motives of its ruling classes.

Our sympathy with the general objective of the Geneva protocol should not blind us to the fact that intervening events have demonstrated the protocol to be inadequate and ineffective to achieve its objective. The hope entertained at the end of World War I that states could rely upon treaty promises and treaty declarations without safeguards to insure their observance has turned out to be illusory. Mussolini was no more deterred from using poisonous gas in Ethiopia in the 1930's

¹ Made before the U.N. Disarmament Commission on Aug. 15 and released to the press by the U.S. Mission to the U.N. on the same date. Ambassador Cohen is deputy U.S. representative in the Commission.

by the Geneva protocol, which Italy had accepted, than was Germany deterred from using poisonous gas in World War I by The Hague conventions, which Germany had accepted.

It was shocking to hear the Soviet representative in the Security Council suggest that Hitler was deterred from using poisonous gas and bacteriological warfare in World War II by the Geneva protocol, when we know that Hitler and his henchmen adhered to no treaty or law of God or of man which they believed they could successfully ignore. Would the Soviet representative have us believe that the men who consigned defenseless women, old men, and little children to the gas chambers would have respected the Geneva protocol, save for their fears of reprisals? Winston Churchill did not think so. Marshall Voroshilov did not think so when he stated on February 22, 1938:

Ten years ago or more the Soviet Union signed a convention abolishing the use of poison gas and bacteriological weapons. To that we still adhere but if our enemies use such methods against us I tell you we are prepared and fully prepared to use them also and to use them against aggressors on their own soil.

It was the fear of reprisals and not the conscience of mankind which deterred Hitler.

U.S.S.R.'s Supplementary Protocol of 1928

Events since the signing of the Geneva protocol have made increasingly clear the inadequacies of the protocol which the Soviet Union was among the first to point out. It was the Soviet Union which submitted on March 23, 1928, a supplementary protocol to the Preparatory Commission for the Disarmament Conference which emphasized, as the United States now emphasizes, practical proposals to insure the elimination of gas and germ weapons from national armaments. The supplementary protocol proposed by the Soviet Union provided:

Article 1—All methods of and appliances for chemical aggression (all asphyxiating gases used for warlike purposes, as well as all appliances for their discharge, such as gas projectors, pulverizers, balloons, flame-throwers and other devices) and for bacteriological warfare, whether in service with troops or in reserve or in process of manufacture, shall be destroyed within three months of the date of the entry into force of the present Convention.

Article 2—The industrial undertakings engaged in the production of the means of chemical aggression or bacteriological warfare indicated in Article 1 shall discontinue production from the date of the entry into force of the present Protocol.

Article 3—In enterprises capable of being utilized for the manufacture of means of chemical and bacteriological warfare, a permanent labour control shall be organized by the workers' committees of the factories or by other organs of the trade unions operating in the respective enterprises with a view to limiting the possibility of breaches of the corresponding articles of the present Protocol.²

² A/AC.50/3, p. 43, Disarmament Conference documents, vol. I, p. 135.

It was also the Soviet Union which in 1932 requested the rapporteur to include in the Report of the Special Committee on Chemical and Bacteriological Weapons the following pertinent observation:

The Committee on Chemical and Bacteriological Weapons' reply to the General Commission's questions regarding qualitative disarmament is given mainly from the point of view of the prohibition of the use of chemical weapons in war time. This is tantamount to re-stating with a few supplementary details the essential ideas contained in the Geneva Protocol of June 17th, 1925, which up to the present is unfortunately still awaiting the ratification of several states.

Such legal prohibitions are, however, inadequate and of merely secondary importance. *The Soviet Delegation has always attached and continues to attach paramount importance, not to the prohibition of the use of chemical weapons in war time, but to the prohibition of preparations for chemical warfare in peace time. Consequently efforts should be directed not so much to the framing of laws and usages of war as to the prohibition of as many lethal substances and appliances as possible.* This is the point of view which the Union of Soviet Socialist Republics will continue to represent in the General Commission.³

We regret that the Soviet Union has given so little attention to this point of view in the Disarmament Commission.

We have pointed out that the Soviet Union and other states which ratified the Geneva protocol reserved the right to employ poisonous gas and germ warfare in reprisal. We have pointed out that the Soviet Union and other states which have ratified the Geneva protocol have conducted research work and made other preparations for the use of poisonous gas and bacteriological warfare. In view of the proved inadequacies of the Geneva protocol we do not criticize the Soviet Union or other states parties to the protocol for these precautionary measures.

But we do criticize the ruling classes of the Soviet Union for attacking the United States for taking the same precautionary measures. We do criticize and condemn the ruling classes of the Soviet Union for making false charges that the United States is using bacteriological warfare in Korea. We do criticize and condemn the ruling classes of the Soviet Union for conducting a hate-mongering campaign against the United States, which is, as I have previously stated, sadly reminiscent of Hitler's hate-mongering campaign against the Czechs before Munich.

We do not criticize the humane and worthy objective of the Geneva protocol. But we do not trust the promises of those who foreswear on paper the use of germ warfare save in reprisal and then make deliberate and false charges that others are using germ warfare. We do not trust the paper promises of those who bear false witnesses against their neighbors. We do not trust the paper promises of those who do not hesitate to break their treaty promises when it serves their ideological ends. We have no reason to believe that those who

³ Disarmament Conference documents, vol. I, p. 212 ff.

have made deliberately false charges against us would have been loath to make the same false charges against us if we had ratified the Geneva protocol. And that is particularly true when their false charges provide false excuses for breaking their own promises on alleged grounds of reprisals.

U.S. Record on Germ Warfare

Our purpose is not to discredit the worthy objective of the Geneva protocol but to find means adequate and effective to attain its objective. The United States has never used germ warfare. The United States has never used gas warfare save in retaliation in the First World War when it was first used by Germany. In the last World War, President Roosevelt condemned the use of poisonous gas and issued strict orders that it should not be used except in retaliation. The United States has not used gas or germ warfare in Korea. The charges that it has are monstrous falsehoods and those that make them are unwilling to have them investigated by an impartial body. The record of the United States is clear and clean, and no state that keeps its Charter obligations has anything to fear from the United States in this regard.

It is not without significance that in both of the two wars in the Twentieth Century in which poison gas was used, its use was inaugurated by states which had bound themselves on paper not to use it. If the history of the last half century teaches us anything, it teaches us that aggressor states which start wars in violation of their treaty obligations cannot be trusted to keep their paper promises regarding the methods of waging wars if they find that the keeping of those promises stands in the way of their accomplishing their aggressive designs.

If men fight to kill, it is not easy to regulate how they shall kill. Moreover, there is the danger that if we prohibit the use of some weapons, even more hideous weapons may be discovered and used. We want to eliminate, and we have submitted proposals for the elimination of, all weapons which are not expressly permitted as necessary and appropriate to support the limited number of armed forces which may be permitted to states to maintain public order and to meet their Charter obligations.

In civilized communities the deliberate and unprovoked killing of man by man is murder regardless of the kind of weapon used to kill. In a civilized world, deliberate and unprovoked aggression which causes the killing of masses of men should be regarded as mass murder regardless of the kinds of weapons used. That is the theory of the Charter of the United Nations and that is the rule of law which we here in the Disarmament Commission should seek to implement. That is the way we can best attain the unrealized objective of the Geneva protocol.

All members of the United Nations have agreed to refrain in their international relations from

the threat or use of force against the territorial integrity or political independence of any state or in any other manner inconsistent with the purposes of the United Nations. The United States as a member of the United Nations has committed itself, as have all other members, to refrain from not only the use of poisonous gas and the use of germ warfare but the use of force of any kind contrary to the law of the Charter. And by that commitment the United States intends to abide and has a right to expect other members to abide. The United States condemns not only the use of germ and gas warfare but the use of force of any kind contrary to the law of the Charter.

Let it not be said that there is no way to determine when force is being used contrary to the law of the Charter. If the Security Council does not act, the sentiments of the civilized world can be recorded in the General Assembly as the Uniting for Peace resolution provides.

Function of the Disarmament Commission

We hope here in this Disarmament Commission to agree upon measures of disarmament to reduce the possibility of aggression and make war inherently, as it is constitutionally under the Charter, impossible as a means of settling disputes between nations. That is why throughout our discussions, as representative of the United States, I have insisted that we must approach the problem of disarmament from the point of view of preventing war and not from the point of view of regulating the armaments to be used in war. The conception of disarmament as a means of preventing war is the first principle in the proposal which the United States has formally submitted to this Commission setting forth the essential principles which should guide the work of the Disarmament Commission.

My Government hopes we are going to work out here measures of disarmament as a means of preventing war. My Government does not believe that we should interrupt this work to inform any would-be aggressor state which may contemplate using force contrary to its Charter commitments, what kind of force law-abiding states will or will not use to suppress aggression.

I hope my remarks will not be misunderstood. We are issuing no ultimatums. We are making no threats. We will support effective proposals to eliminate all weapons adaptable to mass destruction, including atomic, chemical, and biological weapons from national armaments. We believe, as the Soviet delegation maintained in 1932, that paramount importance should be attached, "not to the prohibition of chemical weapons in war time, but to the prohibition of chemical warfare in peace time" and that "efforts should be directed not so much to the framing of laws and usages of war as to the prohibition of as many lethal substances and appliances as possible."

But we do not intend, before such measures and safeguards have been agreed upon, to invite aggression by informing, or committing ourselves to would-be aggressors and Charter-breakers that we will not use certain weapons to suppress aggression. To do so in exchange for mere paper promises would be to give would-be aggressors their own choice of weapons. For certainly there is no assurance that aggressors, which break their Charter obligations not to go to war, will keep their paper promises not to fight with certain weapons if they have them and need them to achieve their evil designs.

The task of the Disarmament Commission is, as the United States points out in its proposals setting forth the Essential Principles of a Disarmament Programme, to devise measures to insure that "armed forces and armaments will be reduced to such a point and in such a thorough fashion that no state will be in a condition of armed preparedness to start a war," and that "no state will be in a position to undertake preparations for war without other states having knowledge of such preparations long before the offending state could start a war." We do not believe that it is the function of the Disarmament Commission to attempt to codify the laws of war. But obviously if it attempted to do so, it would have to deal with the whole range of weapons and methods of warfare to be prescribed, the machinery necessary to secure the observance of the rules, and the matter of sanctions, reprisals, and retaliation in case of violation.

The Soviet representative has suggested that there are no effective safeguards to insure the elimination of bacteriological warfare and contends in effect that it is therefore necessary for us to rely on the moral force of paper promises prohibiting its use in war. We do not agree. Nor did the Soviet delegation agree with that position in 1928 or in 1932, as we have shown. It may be true that there are no theoretically fool-proof safeguards which would prevent the concoction of some deadly germs in an apothecary's shop in the dark hours of the night. But when the United States proposes the establishment of safeguards to insure the elimination of germ warfare along with the elimination of mass armed forces and all weapons adaptable to mass destruction, it demands what is possible and practical, not the impossible. The United States is seeking action to insure effective and universal disarmament, not excuses for inaction. Bacteriological weapons to

be effective in modern warfare require more than the dropping at random of a few infected spiders, flies, or fleas. They require industrial establishments, facilities for maintaining the agents, transport containers, and disseminating appliances. Such arrangements and facilities will not readily escape detection under an effective and continuous system of disclosure and verification of all armed forces and armaments which the General Assembly has declared to be a necessary prerequisite of any comprehensive disarmament program.

It is unfortunate that the Soviet representative has indicated so little interest in the development of an effective and continuous system of disclosure and verification. It is unfortunate that the Soviet representative has insisted on regarding any effort of the Commission to give serious consideration to such a system as only an effort to collect information for intelligence purposes. It is as the General Assembly has declared an essential part of "a system of guaranteed disarmament." If we want to make progress toward effective disarmament, we must all be willing to lay all our cards on the table.

If an effective and continuous system of disclosure and verification of armed forces and armaments becomes operative along the general lines suggested in the working paper submitted by the United States, we would then have at hand the necessary safeguards to make possible the elimination of bacteriological weapons. The United States proposes that, at appropriate stages in such an effective system of disclosure and verification, agreed measures should become effective providing for the progressive curtailment of production, the progressive dismantling of plants, and the progressive destruction of stockpiles of bacteriological weapons and related appliances. Under this proposal, with good faith cooperation by the principal states concerned, all bacteriological weapons, and all facilities connected therewith, could be completely eliminated from national armaments and their use prohibited.

The position of the United States is clear and unequivocal. We are here not to engage in a battle of propaganda but to find effective ways and means to abolish mass armed forces, to eliminate all weapons adaptable to mass destruction, including atomic and biological, and thereby to reduce and so far as possible eliminate the possibility of war. The only effective way to prevent the horrors of war is to prevent war.

German Elections Commission Submits Final Report to U. N. Secretary-General

On August 5 the U.N. Information Center at Geneva announced the intention of the U.N. German Elections Commission to adjourn sine die following submission of its final report to the U.N. Secretary-General. Following is the text of the Commission Chairman's letter transmitting the final report, together with the text of the report covering the work of the Commission for the period May-August 1952:

LETTER OF TRANSMITTAL

U.N. doc. A/2122/add. 2
Dated Aug. 11, 1952

PALAIS DES NATIONS, GENEVA
5 August 1952

SIR, I have been directed by the United Nations Commission to investigate Conditions for Free Elections in Germany to submit to you herewith its supplementary report covering the period from May 1952 to August 1952. This report, signed in Geneva on 5 August 1952, is being submitted in accordance with the direction given to the Commission by the General Assembly in paragraph 4 (d) of the resolution it adopted on 20 December 1951 on item 65 of its agenda.

I have been further directed by the Commission to state that, while with the submission of the attached report the Commission has decided to adjourn its session *sine die*, it nevertheless will continue to remain at the disposal of the United Nations and all the parties concerned to carry out its task during such time as the mandate entrusted to it remains in force, and at such time as it seems likely to the Commission that it can do so with a prospect of positive results.

I avail myself of this opportunity to renew the assurances of my highest consideration.

M. KOHNSTAMM

Chairman, United Nations Commission to Investigate Conditions for Free Elections in Germany

COMMISSION'S WORK FROM MAY TO AUGUST 1952

U.N. doc. A/2122/add. 2
Dated Aug. 11, 1952

1. The United Nations Commission to investigate Conditions for Free Elections in Germany submits to the Secretary-General the present report covering its work during the period from May to August 1952 in pursuance of the direction given to it by the General Assembly of the United Nations.

2. In compliance with the direction given to it under the terms of paragraph 4 (a) of the resolution adopted by the General Assembly on 20 December 1951 (resolution 510 (VI))¹ on the agenda item entitled "Appointment of an impartial international commission under United Nations supervision to carry out a simultaneous investigation in the Federal Republic of Germany, in Berlin, and in the Soviet Zone of Germany in order to determine whether existing conditions there make it possible to hold genuinely free elections throughout these areas", the Commission submitted on 1 May 1952 its report² on the results of its efforts to make the necessary arrangements with all the parties concerned to enable it to undertake its work according to the terms of the said resolution.

3. This first report of the Commission contained an account of its activities from 11 February 1952, the date when the Commission first met and organized itself, to 30 April 1952, the date by which the Commission considered it was obliged to submit its first report, after having made in that preliminary period every reasonable effort to make the necessary arrangements with all the parties concerned to enable it to undertake its work.

4. The present report, which supplements the first and is in a sense a postscript to it, contains a brief account of the work of the Commission in the three-month period subsequent to the submis-

¹ See Official Records of the General Assembly, Sixth Session, Supplement No. 20, p. 10.

² U.N. doc. A/2122 dated May 5, 1952.

sion of the first report, including a brief summation of the views of the Commission as regards developments in the German situation in so far as they may be regarded as having had a bearing on the specific task the Commission was required to carry out.

5. The report is being submitted in accordance with the direction to the Commission contained in paragraph 4 (d) of General Assembly resolution 510 (VI), which "directs the Commission in any event to report, not later than 1 September 1952, on the results of its activities to the Secretary-General, for the consideration of the four Powers and for the information of the other Members of the United Nations".

6. At its 24th meeting held on 31 July 1952 in Geneva, the Commission decided that the final report it was required to submit according to the terms of paragraph 4 (d) of the resolution quoted above should not be delayed any longer, as, in its view, there appeared at the time hardly any further possibility of its being able to carry out its task of simultaneous investigation throughout the whole of Germany of conditions for free elections in that country. Throughout the period of three months during which the Commission has had to remain in Geneva at no little sacrifice to the Member Governments concerned, in constant session and ready to go into action at any time it could do so or it appeared feasible to make an attempt to do so, it had become increasingly evident that the unwillingness to co-operate with and assist the Commission to discharge its task displayed at the sixth session of the General Assembly by the representatives of the Union of Soviet Socialist Republics and of the German authorities in the Soviet Zone of Germany, remain undiminished.

7. It will be recalled that the Commission in its first report stated the then existing position in paragraphs 67 and 68, which for the sake of ready reference are reproduced below:

While the Commission has been successful in carrying out its preliminary task in the Federal Republic of Germany and in the Western Sectors of Berlin, it has not thus far been able to establish reciprocal contact with the authorities in the Soviet Zone of Germany and in the Eastern Sector of Berlin even by correspondence. The Commission consequently has not thus far been able to make with the authorities concerned in the Soviet Zone of Germany and in the Eastern Sector of Berlin the arrangements deemed necessary by it to enable it to undertake its work in accordance with its terms of reference. Bearing in mind the infructuous efforts it has made on four separate occasions to appeal to the Soviet Control Commission for Germany to facilitate it in the discharge of its duties, the Commission, to its regret, is obliged to conclude that at present there is little prospect of its being able to pursue its task.

However, in view of the fact that sub-paragraph 4 (c) of General Assembly resolution 510 (VI) "directs the Commission, if it is unable forthwith to make these arrangements, to make a further attempt to carry out its task at such time as it is satisfied that the German authorities in the Federal Republic, in Berlin, and in the Soviet Zone will admit the Commission, as it is desirable

to leave the door open for the Commission to carry out its task," the Commission will remain at the disposal of the United Nations and the parties concerned, and will make a further attempt to implement its mandate at such time as it seems likely to the Commission that new steps may lead to positive results.

8. In all the period that the Commission has had to remain in session in Geneva since the submission of its first report in order to make an effort to implement, if feasible, the directions given to it by paragraphs 4 (c) and 4 (b) of General Assembly resolution 510 (VI), the Commission had hoped that the authorities of the U.S.S.R. as well as the German authorities in the Soviet Zone of Germany would ultimately see their way clear to co-operate with the Commission, an impartial, international body set up by the United Nations with the positive support of forty-five out of its sixty Members, and one that had already received every assurance of co-operation from the authorities representing by far the greater portion of the German people. This hope was entertained by the Commission because of its understanding that the authorities of the U.S.S.R. as well as the German authorities in the Soviet Zone of Germany, were as anxious as the three Western Powers and the authorities in the Federal Republic of Germany and the Western Sectors of Berlin to bring about a peaceful solution to the German question by way of the formation of a freely elected all-German government with which the four occupying Powers could proceed to negotiate a peace treaty. It seemed clear to the Commission that the four occupying Powers were agreed that an essential preliminary to the formation of an all-German government was that it should be formed on the basis of free elections, and further that, prior to the formation of such a government, an investigation by an impartial body was necessary to determine whether existing conditions throughout Germany admitted of the possibility of genuinely free elections. It was the Commission's hope that the Government of the U.S.S.R. anxious as it was for a quick and just solution to the German question, would ultimately be persuaded to repose faith in a body that had been set up by an overwhelming majority of its colleagues in the United Nations.

9. In the period between the submission of its first report and before it could make a further attempt to carry out its task, the Commission considered that it would have to be reasonably certain that, at whatever time it did make the further attempt, it would be attended with some prospect of success. The Commission, therefore, was perforce concerned to consider closely developments in the German situation arising out of the exchange of Notes between the U.S.S.R. on the one hand, and France, the United Kingdom and the United States of America on the other, as well as significant developments inside Germany itself.

10. The series of Notes on the German question exchanged between the U.S.S.R. and the three Western Powers, it will be recalled, commenced

with one from the U.S.S.R. dated 10 March 1952, by which date the Commission had been in existence and at work for a month. By the time the Commission submitted its first report on 1 May 1952, the U.S.S.R. had addressed two Notes to the three Western Powers (on 10 March and 9 April respectively), and the three Western Powers had replied on 25 March to the first Soviet Note. Between 1 May and 5 August 1952, the date on which the present report was adopted by the Commission, three further Notes¹ were exchanged between the four occupying Powers. In none of the six Notes could the Commission discern any agreement whatsoever between the U.S.S.R. and the three Western Powers as to utilization of the Commission in carrying out an investigation in all of Germany to determine whether existing conditions there made it possible to hold genuinely free elections in that country. Indeed, what became more obvious as a result of the exchange of the series of Notes was the following: (1) that the three Western Powers, while they continued to maintain more or less strongly their preference for the present United Nations Commission, were nevertheless prepared at the same time "to consider any other practical and precise proposals for an impartial commission of investigation which the Soviet Government may wish to put forward, on the one condition that they are likely to promote the early holding of free elections throughout Germany"² and (2) that the U.S.S.R. continuing to maintain its objection to the competence of the United Nations to concern itself with the German question, rejected investigation by the present Commission, while it was agreeable to an investigation by another impartial commission formed by the four Powers occupying Germany.

11. The Commission, at this point, would like to make certain observations. While on the one hand, the Commission derives its mandate solely from the General Assembly of the United Nations, it is, on the other hand, entirely dependent on the willingness of all the parties concerned to co-operate unreservedly with it for the execution of its mandate. It has so far been unable to secure this co-operation from the authorities in the Soviet Zone of Germany, and it could see at the time of the adoption of the present report little prospect of its being able to do so in the near future. The Commission, as a United Nations body, is anxious above all for an early, just and peaceful solution of the German question, regardless of whether the steps contributing to such a solution are to be worked out under the auspices of the United Nations or not. The United Nations, the Com-

mission is confident, would at all times be prepared to heed any appeal for its assistance in the finding of a peaceful solution to this question. This being its view, the Commission would not desire to suggest that it alone affords the only impartial means of investigating existing conditions in all of Germany. The Commission would consider its existence and its work hitherto justified, and its mission in substance fulfilled, if, by agreement among the four occupying Powers, another equally impartial body were to be set up which could and would carry out the essentials of the mandate entrusted to the present United Nations Commission.

12. Apart from its consideration of the situation arising out of the exchange of the series of Notes between the U.S.S.R. and the three Western Powers, the Commission, during the last three-month period, has also been watching with concern reports of internal developments in Germany. These have been such as to afford no hope to the Commission that the German authorities in the Soviet Zone of Germany will co-operate with it in the execution of its task.

13. At its 23rd meeting held on 11 July, the Commission felt that it might perhaps be well for it to wait to consider the U.S.S.R. reply to the Note of the three Western Powers dated 10 July before deciding to submit the present report and adjourn its session *sine die*. However, after further prolonged deliberation, it decided that, if past events provided any indication of the nature of things to come, there was little prospect of its being able to carry out its task any further beyond what it had been able to do in the preliminary period of its activity. At its 24th meeting held on 31 July, the Commission decided, therefore, to submit its final report and adjourn its session *sine die*, desiring, however, to maintain its headquarters and secretariat in the Palais des Nations, Geneva, until the expiry of its mandate. While with the adjournment *sine die* of its session the Commission has left its representatives free to resume duty with their respective Governments, the Commission as a body wishes, however, again to lay stress on the fact that, in compliance with the resolution of the General Assembly, it will continue to remain at the disposal of the United Nations and all the parties concerned to carry out its task during such time as the mandate entrusted to it remains in force, and at such time as it seems likely to the Commission that it can do so with a prospect of positive results.

14. The following four representatives on the Commission, whose signatures are appended below, unanimously adopted the report at the 25th meeting of the Commission held on 5 August 1952 in the Palais des Nations, Geneva.

Signed: <i>Brazil</i>	A. MENDES VIANNA
<i>Iceland</i>	KRISTJÁN ALBERTSON
<i>Netherlands</i>	M. KOHNSTAMM
<i>Pakistan</i>	A. H. ABBASI

¹The three Western Powers replied to the second U.S.S.R. Note on 13 May 1952. The U.S.S.R. addressed its third Note to the three Western Powers on 24 May 1952. The three Western Powers replied to the third U.S.S.R. Note on 10 July 1952.

²Quoted from the text of the Note of the three Western Powers dated 13 May 1952 addressed to the U.S.S.R.

Ambassador Muccio Nominated to U.N. Trusteeship Council

White House press release dated August 13

To succeed Francis B. Sayre as U.S. representative on the U.N. Trusteeship Council, the President will nominate John J. Muccio, now Ambassador to Korea. Mr. Sayre, who had held the position since 1949, resigned in June of this year.

It will not be possible for Mr. Muccio to take up his duties on the Trusteeship Council until January, as his services will be needed in the Department of State for several months. To undertake these interim duties in the Department of State, Mr. Muccio will come to Washington shortly.

Mr. Muccio was named special representative of the President with the personal rank of ambassador on July 28, 1948. He was appointed ambassador on April 7, 1949, following U.S. recognition of the Republic of Korea on January 1 of that year.

The President personally awarded Mr. Muccio the Medal of Merit for his devotion to duty. The medal, presented to Mr. Muccio on Wake Island in October 1950, cited Mr. Muccio's "courageous and effective performance of duty."

Mr. Muccio's efforts in the Republic of Korea contributed greatly to the morale of the people of the Republic of Korea and the United States during the dark days of 1950. He has served as the first U.S. Ambassador to the Republic of Korea. The last 2 years of his service have been an arduous ordeal, and his performance represents the finest traditions of Americans in the service of their country abroad.

Congress of Anthropological and Ethnological Sciences

Press release 642 dated August 15

William N. Fenton, Executive Secretary of the Division of Anthropology and Psychology of the National Research Council, will represent the United States at the Fourth International Congress of Anthropological and Ethnological Sciences, to be held at Vienna, September 1-8, 1952.

The International Congress was established in 1933 for the purpose of stimulating the study of anthropological and ethnological sciences—branches of study which contribute to the knowledge of man through their application to the study of races, peoples, and ways of life—by developing these sciences and coordinating research in them. The Congress, which normally convenes every 4 years, enables research scientists from many nations to meet for the free exchange of information on new developments and research techniques.

Physical anthropologists, sociologists, ethnologists, folklorists, linguists, prehistorians, and archaeologists of all nations are invited to attend the sessions of the forthcoming congress.

The third congress was held at Brussels in 1948.

Communiqués Regarding Korea to the Security Council

The Headquarters of the United Nations Command has transmitted communiqués regarding Korea to the Secretary-General of the United Nations under the following United Nations document numbers: S/2689, July 3; S/2690, July 3; S/2695, July 10; S/2696, July 10; S/2697, July 14; S/2698, July 11; S/2699, July 11; S/2703, July 14; S/2704, July 15; S/2708, July 17; S/2709, July 17; S/2711, July 21; S/2713, July 21; S/2714, July 22; S/2716, July 23; S/2717, July 23; S/2718, July 23; S/2719, July 24; S/2720, July 25; S/2723, July 28; S/2725, July 29; S/2726, July 30; S/2728, July 31; S/2729, August 1; S/2730, August 4; S/2731, August 5; and S/2732, August 6.

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Migration. Report by the Director-General of the International Labour Office to the Economic and Social Council in accordance with Council resolution 396 (XIII) of 25 August 1951 on methods of international financing of European emigration. E/2235/Add. 1, June 13, 1952. 41 pp. mimeo.

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¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

The United Nations Secretariat has established an Official Records series for the General Assembly, the Security Council, the Economic and Social Council, the Trusteeship Council, and the Atomic Energy Commission, which includes summaries of proceedings, resolutions, and reports of the various commissions and committees. Information on securing subscriptions to the series may be obtained from the International Documents Service.

Economic Development of Under-Developed Countries: Integrated Economic Development and Commercial Agreements (General Assembly Resolution 523 (VI)). Replies from governments of Member States in response to General Assembly resolution 523 (VI) on action taken concerning production, distribution and prices of commodities and measures to combat inflation. E/2243/Add. 1, June 12, 1952. 7 pp. mimeo; and E/2243/Add. 2, June 17, 1952. 20 pp. mimeo.

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Social Activities. Housing and Town and Country Planning. (General Assembly Resolution 537 (VI)). E/2284, July 3, 1952. 14 pp. mimeo.

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Implementation of Recommendations on Economic and Social Matters. Note by the Secretary-General. E/L. 403, July 8, 1952. 63 pp. mimeo.

International Labor Organization

***Ad Hoc* Committee on Forced Labor, Second session.** Replies from Governments to the Questionnaire on Forced Labour. Reply received from the Federal People's Republic of Yugoslavia. E/AC.36/11/Add. 14, June 17, 1952. 8 pp. mimeo.

Security Council

Letter from the Permanent Representative of the Union of Soviet Socialist Republics, President of the Security Council, Dated 30 June 1952. Annex I International Association of Democratic Lawyers, Secretariat: 70 Avenue Legrand, Brussels. Appeal to the Security Council adopted unanimously by the Council of the International Association of Democratic Lawyers, at its session held in Vienna from 16 to 18 April 1952. S/2684/Add. 1, June 30, 1952. 53 pp. mimeo.

Admiral Kirk Appointed Director of Psychological Strategy Board

White House press release dated August 14

Admiral Alan G. Kirk, former U.S. Ambassador to the U.S.S.R. has been named Director of the Psychological Strategy Board, effective about September 15, 1952. He will succeed Raymond B. Allen, former president of the University of Washington, whose commitment to government service was for limited duration. Mr. Allen will continue to serve in the capacity of a senior consultant until it becomes necessary for him to assume his new duties as Chancellor of the University of California at Los Angeles.

The new executive of the Psychological Strategy Board served as Ambassador to Belgium prior to his Moscow assignment in 1949. He will resign the position he now holds as chairman of the American Committee for the Liberation of the Peoples of Russia. A privately financed committee of citizens with headquarters in New York City, this organization has worked to unify Russian and minority emigré groups in their opposition to the Soviet. Admiral Kirk has headed this Committee for the past 7 months.

The Psychological Strategy Board was created in mid-1951 to coordinate foreign information and psychological policies of the major departments and agencies of government concerned with foreign affairs.

The Board consists of three members, the Under Secretary of State, the Deputy Secretary of Defense, and the Director of Central Intelligence. Not only does it provide policy guidance but it likewise assists the Department of Defense in its psychological warfare against the enemy in North Korea. At the same time, it helps guide the extensive information program of the Mutual Security Administration abroad.

The Board confines its activity to broad policy guidance and planning.

Mr. Allen succeeded Gordon Gray, former Secretary of the Army, as head of the Board in January 1952.

THE FOREIGN SERVICE

Appointments

William W. Greulich and Richard T. Arnold as science advisers to the Office of the High Commissioner for Germany at Bonn.

Harald H. Nielsen as science attaché to the Embassy at Stockholm.

President Rejects Tariff Commission's Recommendations on Garlic and Swiss Watches

The President on July 21 and August 14 sent identical letters to Walter F. George, Chairman, Committee on Finance, United States Senate, and Robert L. Doughton, Chairman, Committee on Ways and Means, House of Representatives. Texts of the letters follow:

Letter of July 21 Relating to Garlic Imports

White House press release dated July 21

On June 6, 1952, the Tariff Commission recommended that I should limit imports of foreign garlic into the United States by establishing restrictive quotas, in order to protect our domestic garlic industry from serious injury. The Tariff Commission's recommendation, which was not unanimous, was made under Section 7, the so-called escape clause, of the Trade Agreements Extension Act of 1951. The recommendation of the Commission followed an investigation it was required to make on petition. Section 7 provides that in the event the action recommended by the Tariff Commission is not implemented by the President within sixty days, he shall submit a report to the House Committee on Ways and Means and to the Senate Committee on Finance, setting out the reasons for not doing so.

After a careful study of the Tariff Commission's report, I find myself unable to accept its recommendations. For I can find in the report nothing to justify the conclusion that the producers of garlic in the United States are suffering serious injury as a result of garlic imports.

The purpose of the Trade Agreements Act is to allow the President to enter into agreements with other countries to reduce trade barriers to the mutual advantage of the United States and the other countries concerned, and to make the necessary changes in United States duty rates to carry out such agreements. The so-called escape clause is a standard provision in these agreements, to be applied when and if it later becomes clear that a particular tariff is causing or threatening to cause serious injury to a domestic industry. Obviously, it should be invoked only when it can be shown that the conditions specified for its use

actually exist. The burden of proof rests with those who contend that its use is needed.

In this case, it seems to me that the burden of proof has not been sustained. The evidence is tenuous and unpersuasive. The claim that American producers of garlic have been seriously injured by imports is mere assertion. The view of the minority Commissioners that no serious injury has been sustained is far more persuasive than the contentions of the majority. If the standards employed by the majority were to be applied generally to American imports, I am confident that our trade agreements program would soon be impaired beyond all possible remedy, and gains of the negotiated tariffs completely nullified.

Approximately 90 percent of our domestic garlic is grown in California. About 90 percent of this California production is in three of the richest agricultural counties in the country. Only about 60 farmers in these counties grow garlic regularly, and four of these 60 farmers grow half of all the garlic produced in these counties.

Garlic farmers, for the most part, grow garlic as an incidental part of a much bigger vegetable and sugar beet business. For example, about 90 percent of the revenue of the four large garlic-producing farms has come from products other than garlic. Garlic is a convenient crop to plant in rotation with these other crops.

These farmers have been putting less acreage into garlic since the war, yet they have been getting a higher yield per acre than before the war. As a result, average garlic production in the five post-war years 1947 to 1951 has been only slightly lower than average garlic production from 1935 to 1939—158,000 sacks per year in the post-war years against 164,000 sacks per year in the pre-war period. Year by year, there has been a notable variation in the acreage planted to garlic. The price of garlic has been several times higher in the last few years than it was before the war, although not as high as the phenomenal peak prices which existed during and immediately after the war.

It is not known just how well or how badly farmers have fared in the sale of their garlic.

The report of the majority observes that growers have received from 8½ to 10 cents a pound in recent years, and states that at present levels of wages and with a normal yield per acre growers must receive 12 cents a pound in order for the business to be "remunerative". But the report does not say what the word "remunerative" means—whether it includes a margin of profit, and, if so, how large a margin.

Nor does the report have anything to say about the concept of "normal yield" to which it refers. The figures show that yields since the war have been much higher than pre-war. Does this mean that these yields have been "abnormal", and that the garlic business has been remunerative, after all? The report does not say.

What the report does indicate clearly is that farmers who were dissatisfied with their financial return from garlic had ample opportunity to increase their production of other crops. The report also indicates that these other crops enjoyed good markets. Thus, I cannot understand how these farmers can be suffering "serious injury" from imports. Therefore, I cannot accept the proposal that the United States should limit the quantities of foreign garlic which can be imported into this country each year.

Foreign garlic which enters the United States is now subject to a duty of ¾ of a cent per pound. This rate was 1½ cents a pound under the Hawley-Smoot Tariff Act of 1930, but under the reciprocal trade agreements program, the United States agreed to reduce the rate on garlic and other products as part of a larger bargain in which other countries also reduced rates on various products which American producers were interested in selling to them.

A quantity of garlic is imported from Mexico, and smaller amounts from Chile and Argentina. Since most of this garlic is marketed during the first half of the year, before our own producers have harvested their crops, these imports apparently are not of particular concern to our domestic growers. Moreover, the Mexican imports are of lower quality and do not command as high a price as our domestic garlic.

The competition which does concern our domestic producers comes from Italy. High quality Italian garlic has been entering our East Coast ports and Puerto Rico in increasing volume since the end of the war. Because of transportation costs, little of this garlic moves very far inland; for example, no Italian garlic was sold in Chicago during the year 1951. Furthermore, the markets in which Italian garlic has been selling are markets in which demand has been expanding. The new garlic-dehydrating industry, which has developed rapidly in California and which now absorbs over a third of our domestic production, prefers the fresh domestic product to the dried imported variety. As a result, our domestic garlic growers face virtually no competition in marketing that

portion of their crop. Nevertheless, it is true that in the East Coast and Puerto Rico markets the domestic producers are meeting increasing competition.

The Trade Agreements Act provides no guarantee to American producers against increased competition from imports. All that the escape clause provides for is protection against "serious injury". There is no evidence in this case that these increased imports are causing serious injury to American producers of garlic and that resort to an escape clause action would be justified.

On the contrary, there are many reasons for welcoming the increase in imports of Italian garlic. The United States has a stake in the strength and prosperity of Italy. We have recognized that fact in the aid we have given to Italy under the European Recovery Program and under the Mutual Security Act.

Italy has done a good job with that aid. Her production has increased. The strength of her Communist Party has declined. But Italy still needs to find ways of earning more dollars, and she is trying earnestly, and with some success, to earn them. Every obstacle the United States puts in her way in these efforts is a step harmful to our mutual security and costly in the end to the consumer and American taxpayer.

Yet, lately our laws have forced us to put a good many obstacles of this sort in Italy's way. We recently raised our tariff on hats and hatters furs, which the Italians sold us in considerable quantity. We recently put a large import fee on foreign almonds, most of which come from Italy. Our cheese amendment to the Defense Production Act, which restricts imports of foreign cheeses, has been hurting Italy more than any other single country, and Italy sees more trouble ahead in some of the escape clause applications which the Tariff Commission is now studying. All this seems to run contrary to a sensible policy toward Italian imports.

As pointed out earlier, the Tariff Commission proceedings on garlic imports have taken place pursuant to the escape clause provisions of Section 7 of the Trade Agreements Extension Act of 1951. While the idea of an escape clause in the trade agreements program is not new, it was not written into the law until the Trade Agreements Extension Act of 1951 was enacted. When I signed that Act, I was disturbed by the protectionist overtones of this provision and a number of other provisions which it contained. I said this at the time I signed the Act.

Those misgivings now seem to have been justified. It is my understanding that the Tariff Commission has been flooded with escape clause applications—applications on blue-mold cheese, motorcycles, glacé cherries, clothespins, and a host of other products. Each one of these, of course, will be for determination on its merits—with the principles and objectives of the Trade

Agreements Act as the fundamental guide. In this connection, however, it must be borne in mind that the Trade Agreements Act is for the *promotion* of foreign trade, not for its contraction. It was enacted by the Congress "for the purpose of expanding foreign markets for the products of the United States . . . by affording corresponding market opportunities for foreign products in the United States . . ." Escape clauses, peril points, and the like, must be realistically administered in the light of this general objective, despite protectionist pressures that may be brought to bear against the Commission.

This is all the more important in view of the international crisis we face today. Normal economic life in the form of the exchange of goods, is an essential requirement of friendly international relations. If we are restrictive in our trade with other countries, they must find other areas with which to trade. Cooperation in the economic field is fundamental to other forms of cooperation.

Just as important is the fact that a way must be found for these countries to carry their share of defense costs without continued reliance on our aid. It is to their own benefit—and to the benefit of the American taxpayer—that we find ways and continue to improve them, as quickly as possible, to the end that substantial foreign imports may become a substitute for direct foreign aid. In the total economy of the United States and, it seems to me, in the economy of the several domestic producers, garlic plays a minor part; to restrict imports of garlic under the circumstances portrayed in this report would violate the spirit as well as the intent of our trade agreements program.

Very sincerely yours,

HARRY S. TRUMAN

Letter of August 14 Relating to Swiss Watches

White House press release dated August 14

The Tariff Commission has sent me its report and recommendations on an investigation conducted by the Commission concerning the tariff on watches, watch movements, watch parts and watch cases. The Commission conducted this investigation under section 7 of the Trade Agreements Extension Act of 1951, the so-called "escape clause", which provides that restrictions on imports may be imposed, in certain circumstances, when the imports are causing or threatening serious injury to a domestic industry. Under the provisions of that Act, I may accept or reject the recommendations of the Tariff Commission. If I do not accept its recommendations, the law provides that I shall report to your Committee the reasons for my action.

A majority of the Commission concluded that American producers of watch movements are

threatened with serious injury as a result of increased imports and recommended that the tariff on such imports be raised. I have examined the evidence which they developed in support of their position, and I am unable to agree with their conclusion. Rather, I am of the opinion that the weight of evidence does not support the claim that our domestic watch industry has been seriously injured, or that there is a threat of serious injury.

The consequences of imposing the proposed increase in the tariff on watches would be so serious that such action should not be taken in the absence of a clearly demonstrated need. Consequently, I have concluded that I should not put into effect the adjustments recommended by the majority of the Commission.

In 1936, Switzerland and the United States entered into a reciprocal trade agreement under which each country agreed to reduce its tariffs on a range of products which the other was interested in exporting. Switzerland reduced her tariffs on such products as lard, prunes, and office machines, products which American producers sell in significant quantities to the Swiss. On our part, the most important concession we made was to reduce our duties on various kinds of watch movements. Despite the reduction, our rates of duty on watch movements have still been substantial. Based on 1950 imports, for example, they were equivalent to an ad valorem rate of approximately 37 percent.

Under the rates established by the 1936 agreement, there has been a large increase in the number of watch movements imported from Switzerland. This increase in imports is the main ground on which domestic watch industry based its claims before the Tariff Commission that it is suffering or is threatened with serious injury.

The Tariff Commission reported its findings to me in a letter of June 14, 1952. Three Commissioners found that the domestic industry is suffering serious injury. The other three Commissioners found that the industry has suffered no such injury. There is therefore no majority finding on the question of whether the industry is now suffering serious injury. As to whether a threat of serious injury exists, two Commissioners found that there is no such threat, while the four others found that such a threat does exist. To avoid this threat of serious injury, the latter recommend that certain rates of duty affecting the most significant items among our watch imports be increased by 50 percent but in no case exceeding the level of the 1930 rates.

The Tariff Commission's report on the case is a full report, and it provides an accurate basis for judging the present state of the watch industry. The data show that consumption of watches in the United States has nearly quadrupled in the 16 years during which the concessions have been in effect. In that time, a mass demand for watches has been developed, both for relatively inexpensive watches and for high-quality, expensively-cased

watches. Men have switched from pocket watches to wrist watches; women buy smaller watches than formerly; and both men and women have shown increasing preference for watches of high jewel count.

With the greatly increased consumption of watches has gone a radical change in the methods of merchandising. Department-store, mail-order and drugstore sales of watches are now far more important. Mark-ups are smaller.

The initiative of the American importers of Swiss watch movements has had a great deal to do with these trends, and the importers have obtained the largest share in the increased consumption. But the stronger demand for watches has benefited domestic producers also. Their production of jeweled watches had nearly doubled in 1951 as compared with annual average for the period 1936-40. The output of the pin-lever industry has been maintained by larger wrist watch and clock production in spite of declining production of pocket watches. Domestic watchmakers have been employing more workers than before, and over 90 percent of them work in the manufacture of watches and clocks. Wages in the industry compare favorably with wages in all manufacturing industries. In the period 1946-50, profits of jeweled-watch manufacturers before taxes averaged around 12 percent of their net worth and profits of pin-lever watch manufacturers averaged from 10 to 12 percent of their net worth.

One may well ask how, in this situation, three Commissioners found serious injury. The answer seems to lie almost entirely in the significance which they attached to the fact that the expansion of domestic jeweled watch production has not kept pace with expansion of imports, so that the industry today enjoys a smaller share of the larger market. Because of the dangerous precedent which would be involved in accepting this share doctrine as the determinant of serious injury, I should like to emphasize its far-reaching implications. Serious injury, by any definition, means a loss to someone. Declining production, lower employment, lower wages, lower returns or losses in capital invested—any of those things might indicate some degree of injury. But the share doctrine goes much further. In fact, it finds that serious injury exists when the domestic industry fails to gain something it never had, even though the industry may be prospering by all of the customary standards of levels of production, profits, wages and employment. This is the doctrine on which the claim of injury by three Commissioners appears to be based.

Another development in the watch industry on which the three Commissioners' finding was based is the shift from production of watches with 17 jewels or less to production of watches with more than 17 jewels. To some of the Commissioners, this shift is an evidence of injury, even though the

industry profited from its shift to greater production of the more expensive watches containing 17 jewels or more. It is difficult to see how any serious injury is evidenced by a shift from the production of one product to the production of another which can be produced with equal or greater profit by the same labor and equipment. Here, the shift is not even from one kind of product to another kind, but from 7 or 15 jewel watches to 17 or 21 jewel watches. The same man sitting at the same bench and using the same tools can make both. Such a shift, if it is a shift, is no evidence of serious injury to anyone. The escape clause was not intended to give domestic industry freedom to ignore the changing pattern of domestic demand or to provide an escape from normal, healthy competition.

In this connection, I would like to emphasize that the fundamental purpose of the trade-agreements program is to expand exports and imports. Under present world conditions, the limiting factor on the expansion of United States exports is a general lack of dollars in the hands of the people who are anxious to buy United States goods. Expansion of our imports is therefore an objective of high priority and the Trade Agreements Act is an important means to that end. In order to provide against unfair burdens on any particular segment of the economy, provision has been made for safeguarding domestic industry against serious injury as a result of trade-agreement concessions. However, the primary purpose of the program remains the expansion of foreign trade in the national interest. It was never intended that the program be limited by a requirement that domestic production must double whenever imports double.

Various arguments have been adduced in support of the view that the domestic watch making industry is threatened with serious injury even though such injury has not yet been sustained. It appears to me that such a threat has not been shown with anything like the degree of certainty that would justify invoking the escape clause.

To be sure, the record of domestic watch producers has not been without its ups and downs in this post-war period. When the fighting broke out in Korea, the watch trade stocked up heavily. Remembering the scarcities of World War II they built up inventories of watches and watch movements. This provided a temporary bonanza for the watch industry but it has been followed by the inevitable reaction. There have been a good many promotion sales aimed at working off existing inventories. This kind of development is typical of business in products such as watches. Very much the same thing happened in items such as radios and television sets, kitchen equipment, and so forth. It did not seem to two of the Commissioners and it does not seem to me that this temporary adjustment affords any occasion for great alarm on our part.

One aspect of the watch situation which the Tariff Commission report points out is that defense contracts are supplying some business which may not be available in the future. There appears, however, to be no reason for special concern on this account in the watch industry. The situation is one which faces the whole of the American economy in some degree. Moreover, as far as watch manufacturers are concerned, their defense work has not required much shift out of watches into other products. In 1951, production of items other than watches and clocks accounted for less than 6 percent of employment in the jeweled watch industry and for less than 9 percent in the pin-lever watch industry.

All of these considerations support the conclusion of the minority of the Tariff Commission that no serious injury or threat thereof has been shown. This, in itself, would be a sufficient basis for rejecting the recommendation for increased tariff protection. As a matter of fact, however, there are additional cogent reasons of an international character which also argue against acceptance of the recommendation.

The escape clauses were included in our international tariff agreements largely because these clauses were desired by the United States. At the time, considerable skepticism was expressed regarding the use we might make of the clause. Apprehension abroad concerning the course of United States trade policy has been heightened within the past year or so by various events. We adopted and extended the amendment to the Defense Production Act requiring restrictions on the importation of cheese, and we have used Section 22 of the Agricultural Adjustment Act to impose quotas on almonds. There has been agitation for countervailing duties and for new tariffs. These events do not mean we must never use the escape clause again. They do mean, however, that if we wish to avoid a serious loss of confidence in our leadership, any new restrictive action on our part must be clearly justified.

The impact which the tariff increase now proposed would have on Swiss-American relations would be extremely serious. United States imports from Switzerland in 1951 totalled only \$131 million of which over 50 percent were watches. Thus, tariff action on watches would strike at Switzerland's most important export to us, affecting adversely an industry tailored in large part to the United States market and employing one out of every ten industrial workers in the country. In addition, the industry is concentrated in a part of Switzerland where there is relatively little other industry and the possibilities for transfer of employment small.

During 1951, Swiss imports from the United States totalled over \$216 million and were comprised of a long and varied list of commodities such as wheat, cotton, tobacco, automobiles, machinery, office appliances, and pharmaceuticals.

United States exports to Switzerland are therefore almost double our imports from Switzerland and the Swiss market is one of the very few that remains free of restrictions against dollar imports. If, in these circumstances, we should erect new barriers against the importation of Swiss watches, we would at the same time be erecting barriers against our own export markets. More than that, we would be striking a heavy blow at our whole effort to increase international trade and permit friendly nations to earn their own dollars and pay their own way in the world.

In reaching my decision on this matter, I have been mindful of the importance of maintaining a domestic watch industry adequate to meet our defense needs. For the reasons I have indicated, I believe we can expect a healthy, vigorous watch industry to be maintained in this country—an industry that will be adequate for defense needs. And, if special measures should be necessary to preserve the watch industry for defense purposes, it is by no means certain that an increase in import duties constitutes an effective approach to that objective.

For all these reasons, I have concluded that I shall not adopt the recommendations of the majority of the Tariff Commission.

Sincerely yours,

HARRY S. TRUMAN

Check List of Department of State Press Releases: Aug. 11-15, 1952

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington, 25, D. C.

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*643	8/15	Exchange of persons
*644	8/15	Newsman selected for awards
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† Held for a later issue of the BULLETIN.

* Not printed.

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